The Stock Exchange Merger Page 9

LARGEST CIRCULATION
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FINANCIAL PAPER

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The Nation's Business

Getting the Most Out of Ottawa Agreements

Nation Must Take Full Advantage of Opportunities

Stock Exchange Merger

Promises to be of Value to Investors All Over Canada

Imperial Preference Making It Work

THE trade agreements signed at the Imperial Economic Conference in Ottawa in 1932 were a great constructive achievement for Canada. Someone has pertly remarked that a group of American politicians named Fordney, McCumber, Smoot and Hawley were the men who really put Canada's signature on the Empire trade treaties. But the effort to strengthen the economic bonds of the Empire started before their time. Far-sighted statesmen in Britain, Canada and elsewhere have fought hard for many years to work out an Empire economic plan, not simply to foster a defiant Imperialism but to make the citizens of the Empire happier and more prosperous. The step that was taken at Ottawa was the greatest to be taken in several decades of insistent effort.

More than any other man Canada's prime minister was responsible for the success of the Ottawa Conference. The trade agreements are his monument. He can hardly hope to build a larger one in his life time.

* * *

GETTING the agreements signed was the first problem, a difficult one. Making them work out according to the objective of their sponsors is the present problem, little less difficult. To a very remarkable degree, the agreements are working. The steady improvement in Canadian conditions since February last may be traced in no little measure to the new markets our producers have found in Great Britain.

Although the trade agreements have been in force less than the full year our exports to Britain in the twelve months to September 30 were $200,000,000 as compared with $173,000,000 in the twelve months of the previous year. In the same period our exports to foreign countries declined from $301,000,000 to $263,000,000. How much more serious our condition would have been in Canada if we had not had the new British markets to make up for our losses in foreign markets?

At the same time we increased our imports from Britain by a million dollars while our imports from foreign countries were declining by $94,000,000.

Of course if we had merely diverted trade from non-Empire countries to Empire channels it could be argued by some people that, while we had strengthened the Empire, we had not particularly helped either ourselves or the world at large. But the evidence is strong that we did all the foreign business we could have done anyway and that our Empire business was trade we would not have got, had there been no Ottawa trade treaties.

* * *

BUT the new fiscal set up is not doing all it could do for us. The Financial Post has revealed how the wonderful opportunity created for Canada in some such fields as apples and bacon, to mention but two items, is being utilized only in part.

It is a job now for the whole nation to take full advantage of the special export opportunities that have been created; by a well organized co-operative effort to supply to the British markets the products the British people want to buy, graded and packed according to their tastes and habits, and supplied in such quantities and at such times as market conditions over there dictate. This is a tall order but one that must be filled if the Ottawa treaties are to flower as they should.

To find the weaknesses in our export policies and methods and to bring together the people who can correct them is a task to which the prime minister may well devote a large portion of his time.

* * *

RECENTLY when The Financial Post attempted to define some of the weaknesses in our marketing of apples in Britain and to offer suggestions (that had been prepared by a trade expert after complete and careful study) the prime minister misread our article as a criticism of his rightly cherished Ottawa agreements. He was provoked to attack The Financial

(Continued on page 2, col. 3)

BOND DEALERS MAY ORGANIZE OPEN MARKET

Central Bank Plan Seen as Intensifying Need

I. B. A. INVESTIGATES

Might Help Develop Elasticity of Money Rates, Call Money Market

Formation of bond exchanges in Canada by investment bankers is now a possibility, it is understood. Publication of the report of the Royal Commission on banking leaves dealers with a free hand to act as they wish in this respect.

Central bank dealing in securities on the open market are seen by some as intensifying the need for official bond exchanges, as contrasted with the present method of dealing by telephone. The Investment Bankers' Association of Canada investigated the possibilities for bond exchanges last year, and are understood to be continuing the work this year.

Canadian stock exchanges, experts agree, are not yet fully suited to the handling of active bond dealings. They have the facilities, but not the requisite volume of bond business, to make an active market. The Canadian banks and bond dealers possess the trump cards at present in that they maintain the actual contacts with investors. And having most of the dealings in their hands, other business naturally flows to them because their quotations are closest and dealings can be carried out in volume.

May Come Through I. B. A.

Because of certain comments in the Banking Commission report, however, it is felt that formation of official bond markets in Canada is considered desirable.

It appears likely that any exchanges formed would be organized through the Investment Bankers' Association of Canada, the body considered most experienced and best equipped for the purpose. It is also possible, however, that stock exchanges may make a bid for a larger part of the bond business, especially if bond dealers fail to form their own exchanges.

Development of official bond markets, where quotations would be listed throughout the day, and commissions charged, as on stock exchanges, might be helpful in establishing a Canadian money market. Some economists claim that establishment of money markets and their development in other countries have been greatly facilitated by establishment of central banks. Central bank credit-control operations in Canada, it is conceded, would, in the first instance, have to be largely through bond dealings. So the combination of central banking and official bond exchanges might bring greater elasticity in Canadian money rates.

Money Posts Possible

If such elasticity is developed, and it is not expected to come overnight, there might also be loan posts on both bond and stock exchanges. Canadian call loans, which are granted to be in the nature of commercial advances at present, might become real call loans. If such genuine call money markets were to develop, the elasticity of Canadian interest rates might be further advanced.

Obstacles which have been encountered to plans to form bond exchanges are understood to come from only a few sources, except for technical problems. Some of the larger dealers are understood to have been against the suggestion. They have felt, it is believed, that they would be allowing competitors to get more of the bond business, since all would be on a more or less even footing, at least as to prices and availability of bids and offers for bonds.

That there is some strong sentiment among dealers for open market dealings in bonds is shown by the following remarks by Col. J. G. Weir, of McLeod, Young, Weir & Co., immediate past president of the I. B. A. of Canada:

"With a view to further improving conditions in our own business and the relationship between the investment house and the investor, a good deal of consideration has been given by many of our members as to the

(Continued on page 2, col. 7)

Complete New Deal Urged By Commission Upon Newfoundland

Amulree Report Would Abolish Political Government and Set Up Rule by Commission Under Aegis of Great Britain

BRITAIN MAY GUARANTEE BONDS

Political Union With Canada Not Thought Feasible, But Lease of Labrador to Trading Company Suggested — Report Gives Intimate Picture of 80-Year Struggle

Sweeping recommendations as to the financial and political future of Newfoundland are contained in the report of the Amulree Royal Commission which for the past six months has been undertaking an exhaustive survey of the serious financial and economic condition of that country. The report is one of the most significant documents as affecting the welfare of a member of the British Commonwealth of Nations that has appeared in a generation.

Financially the report urges that Great Britain assume responsibility for Newfoundland's finances. This would probably mean exchange of Newfoundland bonds now outstanding for debentures bearing a much lower interest coupon, but guaranteed by the British government. (For details of this plan see page 5.)

The major political recommendations may be summarized as follows:

1. Suspension of the existing form of government until the country may again become self-supporting.
2. Introduction of a government by "Commission," presided over by the governor of the island, and with full legislative and executive authority, subject to supervisory control by the British government.
3. The Commission to consist of six members, three from Newfoundland; three from the United Kingdom. Each commissioner to be responsible for one of six government departments to be created.
4. Financial responsibility for the island to rest with the United Kingdom until the island again becomes self-supporting. Responsibility for a reduction in the present burden of public debt to rest specifically with the United Kingdom government.
5. Inauguration of the plan is to be dependent on a submission by both houses in the Newfoundland government, to Great Britain. Responsible government to again be restored at the request of Newfoundland, once difficulties are overcome and the country is again self-supporting.

In a British parliamentary "white paper," issued simultaneously with the report, the British Government has indicated its willingness to advance the necessary financial assistance to assure the colony's solvency. While regretting what has happened, the British Government "feels it impossible to dissent from the main conclusions and recommendations at which the commission unanimously arrived." It is believed that the Newfoundland Government will also accept the recommendations, and will legislate that the country "be given a rest from party politics for a period of years."

The report is signed unanimously by the three commissioners: Lord Amulree, representing the British Government; C. A. Magrath, representing Canada; and Sir William Stavert, of Montreal, representing Newfoundland. No mention is made of the sum advanced by Canada last year in respect of Newfoundland's debt, but as the report recommends that for the future Great Britain assume financial responsibility for the colony, it is presumed that this will be refunded to Canada by the British Government.

Fisheries at Low Ebb

The most important recommendation arising from this new political set-up is the task of rehabilitating the cod fishery of the island. This great industry, which is the mainstay of the country, is found to be in a state bordering on general collapse and immediate and drastic reforms are urged. The commission sets forth in detail a comprehensive plan which it suggests might be followed in such rehabilitation. It includes:

1. Gradual abolition of the vicious credit or "trucking" system between merchants and fishermen.
2. Divorcement of the industry from political control, with an entirely new administrative set-up.
3. Resuscitation of the deep-sea fishery and the "fall" fishery.
4. Further development of fish-canning industries.

Much Research Needed

Other recommendations urge expert enquiries into the steamship and railway services of the country; the forestry, education, livestock, and the appointment of a qualified geologist to advise regarding the future mineral development and policy of the country. It is urged that the civil service be reorganized and that existing boards and commissions on the island be wound up so as to give the new administration a free hand. The need of improved statistical service, public libraries, a Royal Naval Reserve, a new police and game warden body, is stressed, as is also the need for encouragement of municipalities throughout the island.

Of particular interest to Canada is the thoughtful analysis of the whole history past, present and future of a possible union of the two jurisdictions. The proposal is dismissed as impossible of fulfilment at the present time and the thought expressed that if Newfoundland should at any time enter the Canadian Confederation she should

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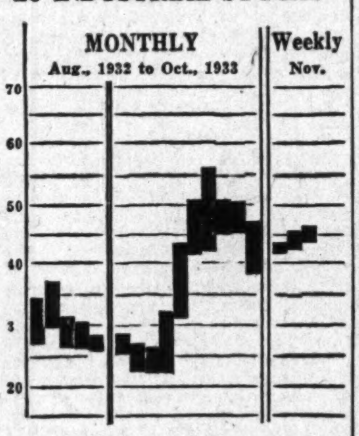
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Nov. 21	46.0	43.5
Week of Nov. 14	45.5	42.6
Month of November, 1932	30.2	26.1
10 Public Utilities		
Week of Nov. 21	49	47
Week of Nov. 14	49	48
Month of November, 1932	48	43
8 Bank Stocks		
Week of Nov. 21	168	162
Week of Nov. 14	173	170
Month of November, 1932	173	161

Week's Figures Indicate Losses Balance Gains

Slight recession from the immediate high point of September is shown by The Financial Post business index for October, the loss being less than 1 per cent. Other October indicators of business released during the past week show a mixed trend. Electric output, exports, imports, insurance sales, newsprint production and steel ingot production are higher than in September, while pig iron production, automobile production, cigarette consumption, butter production and building permits show losses. In every case at least a portion of these losses can be attributed to seasonal causes.

With the exception of wheat, speculative commodities fluctuated without any definite trend during the past week, the irregularity being generally accounted for by differences of opinion on the result of United States currency inflation. Dollar prices were generally higher somewhat offsetting the decline in the gold value of the United States dollar. Wheat at Winnipeg remained fairly steady during the week, but export demand was too light to create any definite strength.

		—Change—	
		From prev. period	From prev year
Monthly:	October, 1933	%	%
Pig iron prod. tons	27,002	—12.9	+301.1
Electric output kw.h.	1,617,786,000	+8.6	+16.4
Auto. output No.	3,682	—36.6	+26.0
Exports .... $	60,213,729	+4.2	+6.3
Imports .... $	41,089,424	+6.2	+10.7
Cigarettes released ... No.	379,614,915	—9.7	+77.1
Butter output lbs.	18,024,176	—22.7	—4.9
Insur. sales.. $	31,472,000	+24.0	+4.9
F. P. Business Index	90.2	—0.8	+17.9
Newsprint prod. ... tons	191,452	+6.8	+21.5
Bldg. permits $	1,762,947	—13.3	—44.4
Steel ingot prod. .. tons	48,496	+25.6	+183.5
Weekly:*			
D.B.S. Index No.	84.2	+0.4	+12.3
Car loadings No.	47,442	—6.4	+7.1
Cattle sales No.	14,522	—7.8	+19.2
Hog sales . No.	21,407	+1.9	—11.2

*Weeks ended Nov. 11, 11, 16 and 16, respectively.

Southern Canada Power Cuts Rates Meet Situation

From Our Own Correspondent

MONTREAL.—Southern Canada Power Co., operating in the Eastern Townships of Quebec, has offered customers in St. Hyacinthe a reduction of about one-third in present rates as applying to domestic and commercial lighting. This follows upon the action of St. Hyacinthe ratepayers in voting to establish a municipal system.

No decision has been given by St. Hyacinthe as to whether or not it will accept the company's offer which would apply on and after March 1 next. While the ratepayers have passed the referendum on municipalization, this is no obstacle to accepting the terms put forward by the company.

The action of Southern Canada Power is regarded in Quebec utility circles as having important significance. Other municipalities in the area served by the company will undoubtedly demand treatment similar to that extended to St. Hyacinthe. It may also have the effect of disturbing rate structures in other parts of the province.

Over the past two years there has been a steadily growing agitation for reduced domestic and commercial lighting rates in Quebec. Quebec City has been to the fore in demanding a revision. St. Hyacinthe and several other small municipalities have been at outs with the power companies. In the case of Quebec City and St. Hyacinthe the power companies have made concessions. In neither case has the offer been accepted to date.

JANUARY DATE SET FOR MEET OF CABINETS

Dom.-Provincial Conference Forces Important Agenda

PUBLIC INTERESTED

Companies' Act Unemployment Relief, Wheat Agreement, Central Bank Will Be Discussed

From Our Own Correspondent

OTTAWA.—While plans have not yet crystallized, it is regarded as certain that the Dominion Government will summon a Dominion-provincial conference before the next session of parliament begins. The conference probably will meet very early in January. At this conference a dozen or more important legislative and administrative problems will be discussed and the general principles of major legislation both at Ottawa and in the various legislatures determined.

In the meantime, a Dominion-provincial conference to be devoted solely to the matter of control of buses and trucks will assemble at Ottawa on December 14. Hon. Dr. R. J. Manion, minister of railways has issued a statement with regard to this meeting and has pointed out that it will be concerned with matters of insurance, standardized statistics, working conditions, safety restrictions, licensing and publication of rate schedules—all affecting bus and truck operations in Canada.

Provincial Question

For the reason that control in these matters lies exclusively with the provinces, the Dominion Government is not directly concerned. But Ottawa was enjoined by the report of the Duff Commission to provide the facilities for a general discussion by all the provinces and this is now being done.

The other problems which await discussion with the provincial Governments are far weightier and of more direct interest to the general public. It is very doubtful if any effort will be made to enlarge the conference on December 14 to include other matters. It appears more probable that a separate conference will be necessary.

Important Agenda

Among the questions that will come up at the later conference will be: the revision of the Companies Acts, unemployment relief, the wheat agreement, rural credits, unemployment insurance, the central bank, and a number of agricultural questions.

The revision of the Companies Acts is already under way, with officers of the justice department in consultation with officials representing the more important of the provinces. But a general conference will be necessary to put the finishing touches to the proposed revision and to ensure that it will be made uniform throughout the country.

Unemployment Relief

Unemployment relief continues to offer new phases and unexpected difficulties and the usual practice, it is learned, will be followed in calling representatives of the provinces to Ottawa. Prairie Governments are highly critical of certain changes made in the agreements entered into last spring, affecting federal grants in aid of unemployment single men. The changes, it is contended, place a larger burden of expense on the provinces and reconsideration will be urged strongly when federal policies are overhauled.

The wheat agreement remains, to date, a scarcely touched field of Government activity. Under the agreement Canada is bound to control the total export movement of wheat and to reduce this out-turn next year. The active co-operation of the three Prairie Provinces in any federal control machinery is regarded as essential to success. All three provincial Governments have endorsed the principle of reduced wheat production and they may be asked to go further and join in a legislative programme designed to curtail wheat acreage. Of this, however, an intelligent forecast of federal policy is impossible for the reason that final decisions will not be reached until after the close of navigation. It looks as if export sales of wheat this crop year will not exceed 70,000,000 bushels by freeze-up and the winter movement will necessarily be light.

Prepare Control Machinery

The Government, therefore, will have four or five months between freeze-up this fall and the opening of navigation next spring to formulate control machinery and sumbit it for approval to the western provinces.

Discussion between Ottawa and the provinces on rural credits is of more immediate concern. The Macmillan report recommended a state operated intermediate credit system and suggested that the provinces should be consulted before Ottawa adopted a definite policy. While it is more than probable that the operations of the Federal Farm Loan Board will be extended to include intermediate credit, the provinces will have to be consulted before legislation is introduced at the forthcoming session.

Cheaper Annuities Possible

The unemployment insurance problem haunts the present Government. Premier Bennett is

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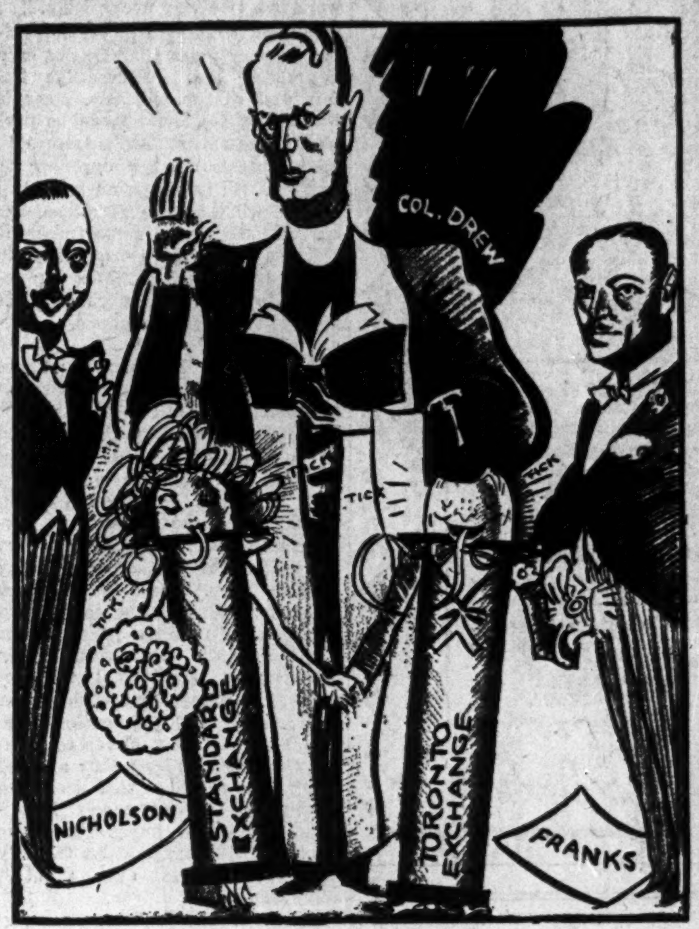
Social Note



—Drawn for The Financial Post by Cecil Thomson.

TORONTO-STANDARD

A wedding has been arranged between the Toronto Stock Exchange, Harold Franks, president, and the Standard Stock and Mining Exchange, G. W. Nicholson, president, and will take place (all going well) on January 2. Col. Geo. A. Drew, Ontario securities commissioner, is the officiating clergyman.

AGRICULTURAL MARKET ACT SEEN POSSIBLE

Much Has Already Been Done in Forming Plans

From Our Own Correspondent

OTTAWA.—Enactment of a Dominion Marketing Act at the next session of parliament is regarded at Ottawa as a distinct possibility. One formal conference between representatives of the Federal Government and various agricultural industries has already taken place and a second and, it is thought, final conference is scheduled to be held at Toronto next week. In addition, representatives of at least two divisions of the agricultural industry have been in fairly constant touch with cabinet ministers on this question for the past three months.

The Government, it is understood, is considering a Marketing Act as a means of raising the domestic prices of livestock, particularly beef, and of fruits and vegetables. Very little is being said of dairy products, of eggs and poultry.

Government Forced In

At this matter now stands, it is thought that Hon. Harry Stevens, Minister of Trade and Commerce, was definitely speaking for the Government when he said in a recent speech at Winnipeg: "If private enterprise fails to find a solution, then the Government may have to step in. But the Government is not the best qualified agency to determine the price of commodities. Private enterprise should get together and agree upon an increase in livestock prices. But the trouble is that each individual is looking for something to his own advantage from a purely profit standpoint."

It is understood that dairy products are not presently regarded as suitable for the operations of a Marketing Act and the Government, it is believed, considers itself already as being the decisive factor in wheat prices. No extension of present interference in the wheat trade is thought likely unless it become imperative to intervene in the interests of the wheat agreement.

Will Follow U. K. Act

Events have proceeded so far in regard to the proposed policy that it is understood the Government has decided to follow the broad lines of the British Marketing Act. The intention is to adapt the British statute to Canadian needs and it is notable that Mr. Stevens is now on his way to London, ostensibly for a rest, but more probably to combine a holiday with a study of the experience in the Old Country under the two statutes passed at Westminster.

These statutes, passed in the sessions of 1931 and 1933, give a clue to what is now mooted for Canada. In some respects, such as in the power conferred by the British statutes to regulate imports, the British laws are of little significance in Canada. But in many others, the statutes would appear to provide a legal basis for much that some of our agriculturists have been urging in recent years.

Producers Submit Plan

Under the British Acts any group of producers may formulate a marketing scheme and submit it to the Government. When this is done, the Government appoints a marketing and supply committee to investigate it. An enquiry takes place and complete details of the scheme, of

(Continued on page 2, col. 1)

Highlights of the week

Window Dressing

How the Royal Commission report shows the means by which Canadian banks dress their financial windows for month-end and year-end statements. Page 12.

Australian Recovery

With a home-brewed recovery plan, Australia is making a come-back largely on her own initiative. How it was done in the face of adversity. Page 3.

Selling in Germany

What a Canadian saw in Hamburg. A survey of Canadian trade in the German market. Page 3.

A 30-Year Climb

How, between 1902 and 1933, Julian C. Smith climbed to the presidency of Shawinigan Water & Power. The human side of a business leader. Page 8.

Trouble in U. S. A.

Not only the N.R.A., but its partner the A.A.A. (Agricultural Adjustment Administration) is coming in for abuse in the United States. Dr. Gaines T. Cartinhour of New York University tells why. Page 9.

Silence Golden?

Who is responsible for ignorance? Those institutions which fail to disseminate information to the uninitiated, according to W. P. Tuttle. Why silence is not always golden. Page 6.

Exchange Merger

Merger of the Toronto and Standard stock exchanges may mean vast changes in the Canadian investment structure. How the merger is to be worked out, and its effects on investors. Page 9. And now formation of bond exchange in Canada may develop. Page 1.

Newfoundland

Because of its financial embarrassment, Newfoundland may revert to a crown colony. The Royal Commission report analyzed. Page 1. How it may help holders of the oldest Dominion's bonds. Page 5.

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THINKS WALKER IS BEST FIXED IN U. S. FIELD

H. C. Hatch Tells Shareholders None Can Foretell Tax Situation

NO MERGER HERE

Chairman Tells How Runaway Stock Market Stopped Can. Amalgamation—Why Walker Crosses Line

At the annual meeting of Hiram Walker-Gooderham & Worts Ltd., in Walkerville on November 17, Harry C. Hatch, chairman of the board, told the 250 shareholders who crowded the room where the meeting was held that the directors felt the investment made in the United States had been in the best interests of the company from the long point of view.

"I am not going to prophesy but I believe that if the distilling business is any good—and up to date it has always been good—that this company is in the best position of any engaged in this trade in America to take advantage of whatever opportunities arise.

"The profits to be made are subject to so much regulation, particularly Government taxation, that it is almost impossible to foresee what is to take place, but if any money is to be made out of the business I believe Hiram Walker will secure their share."

Canadian Walker Finances U. S.

Mr. Hatch said that, because of the active market in shares of distillery companies in the United States, it would have been possible for the company to secure from the U. S. public the money necessary for the creation of the greatest distillery in the world, now being built at Peoria, Ill., but it was felt by the directors that if profits were to be won the shareholders who had stood by the company for so long should get the first opportunity to profit. If, on the other hand, it should turn out that the investment was not as good as expected it would be better that no other shares should have been sold to the public or to the shareholders. The management had considerable money in its hands and was lending it to the United States company to build the distillery, and the board after reconsidering the situation, had no regrets for anything that had been done and believed in looking forward with considerable confidence to the future.

Why Merger Fell Through

Mr. Hatch pointed out that the distillery trade has passed through the most interesting period in 1933 since distillation began. At the last annual meeting the question of merger with other Canadian distilleries had been much to the fore. Merger negotiations had been resumed in April, 1933, and arrangements had been arrived at between the five largest concerns. These arrangements seemed to be acceptable or almost so to each of the companies. About this time, however, the complexion of affairs in the United States began to change rapidly and the stock market commenced to favor distillery shares to a greater extent than had been experienced in three or four years. The result was that share values of the different companies became so out of balance with reference to each other that agreement as to an exchange of shares on a reasonable basis between companies became impossible. Therefore the merger was not effected.

Whisky Exports Transient

The board of directors had surveyed the situation in the United States with the object of understanding the situation as it would be when repeal became accomplished. They decided that in the liquidation of their inventories in the United States a large amount of goodwill would be built up and they had to decide whether they should liquidate their inventories of whisky and confine themselves to the Canadian market in the future or enter the United States in such a manner as to take advantage of the goodwill which they expected to build up. They felt that the possibility of continuing to ship whisky from Canada once the United States distilling trade was in a position to take care of their market would be an almost impossible proposition.

"We were faced with the problem as to whether we should continue business or liquidate and in reaching a decision your directors had to consider these factors. The two companies making up Hiram Walker-Gooderham & Worts had been in business for some 75 and 100 years respectively. They already possessed the capital necessary for expansion besides lots of whisky to carry them along and they had capable personnel; they would be in a first-class position to enter the market—equal to, if not superior to, that of most of the United States concerns, and after due consideration the board decided to commence such a preparation as would enable us to enter the United States market when the proper time arrived.

"We first made a survey of the available plants. Most of the plants had been dismantled and available ones were out of date. About this time we got in touch with the Hon. W. E. Hull He was a congressman for Illinois for ten years and formerly general manager of Clark Bros. distillery at Peoria. We investigated several states in which most of the distilleries had operated before prohibition, Maryland, Pennsylvania,

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EATON'S presents

New Arrivals in the CUSTOM MADE SHIRT DEPARTMENT

FROM England come fine broadcloth shirtings to be individually tailored for discriminating men by the Custom Made Shirt Department.

Striped and plain effects in blue, grey and brown shadings. Each $5.50.

Collars tailored in any style. Each .50.

Measurements retained—Order now for Christmas gifts!

MAIN FLOOR—
QUEEN STREET.

THE T. EATON C°. LIMITED

THAT WHICH ENDURES

Over many years and through many changes, The Royal Bank has become firmly based upon the solid rock of experience and proven strength. Its position as one of the great banking institutions of the world has long been recognized.

THE
ROYAL BANK
OF CANADA

AGRICULTURAL MARKET ACT SEEN POSSIBLE

(Continued from page 1)

representations made and other documentary matter are tabled in parliament. If parliament was not in session, the facts, presumably, would be made public in some other way. The committee allows plenty of time for a full public discussion of the scheme under investigation.

If the scheme is deemed to be good, the Government approves it by order-in-council. Thereupon it is necessary for two thirds of the producers affected as well as producers of two thirds of the total production to approve of it. When such approval has been given, the scheme automatically comes into operation and is binding upon all. An administrative board is set up by the Government, if the scheme calls for such a body. The costs of administration are paid by a levy on total production.

Board Has Full Power

Such a board is given full power to fix and regulate the sale and handling of the product. All payments by the consuming public or by foreign importers are made to the board and are distributed by the board among the producers.

Evasion of the sale regulations on the part of any producer are punishable by a fine and/or imprisonment.

JANUARY DATE SET FOR MEET OF CABINETS

(Continued from page 1)

pledged to introduce legislation of some kind in the life of the present parliament but agreement with all of the provinces seems an impossibility. The Quebec Government is not enamored of social insurance and, for that matter, the Federal Government is much more attracted by the idea of cheapening annuities than of embarking on a grandiose scheme of unemployment insurance. Another discussion with provincial Governments is now indicated.

And, finally, the Dominion Government is not expected to proceed with the enactment of a Central Bank Act until after there has been a full discussion with the provincial Governments. This discussion will serve to remove fears and doubts such as were expressed by Attorney-General Price of Ontario at the time the Macmillan report was made public. Moreover, the Dominion Government will be interested to know the extent to which the provinces will use the facilities of the new bank.

RUBBER FOOTWEAR COMBINE CHARGED

Preliminary Investigation Ordered By Department of Labor

Charges of the existence of a combine among Canadian rubber companies is under preliminary investigation by the Combines branch of the Department of Labor. News that this matter was under investigation was published in The Financial Post a few weeks ago.

Price-fixing by companies to the detriment of consumers has been practised, it is alleged by the complainants. The full text of the charges is not yet available.

Within the last few days, the preliminary investigation has been carried on in Toronto. Interviews have taken place between officials of the Combines branch and representatives of certain rubber companies. Upon completion of the present preliminary enquiry, decision will be made as to what further investigation may be necessary.

A preliminary report will be prepared for submission by the officials to Hon. W. A. Gordon, Minister of Labor.

Obituary

Charles O. Stillman, veteran executive in the Canadian oil industry, died November 18 in Toronto in his 70th year. Mr. Stillman resigned as president of Imperial Oil Co. last July after '36 years of service with that company. He also retired from the position of director of that company and its subsidiary International Petroleum Co. He was a director of the Dominion Bank and vice-president of Rogers-Majestic Corp.

The Nation's Business

(Continued from page 1)

Post quite unfairly. To his attack we have already replied.

This week the cables from London told of a glut of Canadian apples in London. Failure of this country to exercise ordinary business sense in sending apples to Britain had brought a tragic sequel. The situation reveals the pressing need for educational material on marketing such as The Post published and to which the prime minister objected so bitterly.

Making the Ottawa agreements work is a two-way proposition. The exporting country and the importing country must alike be not only aggressive and business-like but fair and reasonable. Mr. Bennett was on solid ground when he protested against Britain's failure to stop Russian timber dumping in London. He has been on less solid ground when he has permitted the bureaucrats in the Department of National Revenue to negative in some degree the Ottawa agreements by unfair and arbitrary rulings against British goods.

* * *

THE Prime Minister must not permit his excellent Ottawa agreements to fail either through apathy or ignorance on the part of producers or exporters, through bureaucratic actions by civil servants or through sheer apathy on the part of governmental departments that may not realize the particular role they have to play. There is too much at stake, including the early prosperity of Canadian farmers and other primary producers. When constructive educational work is done in connection with these agreements, and publications like The Financial Post strive to point out the opportunities that are not being fully seized or that are being jeopardized by someone's ineptitude, it is to be hoped the prime minister will regard it as friendly support for his own greatest achievement.

* * *

Merger of Exchanges In Public Interest

IF MEMBERS of the Toronto Stock Exchange and of the Standard Stock and Mining Exchange ratify the agreement for merger of the two exchanges at simultaneous meetings on December 5, that decision will be one of the most important milestones in Canada's investment history.

This importance arises only partly from the fact that at one step such a measure would create in Toronto one of the largest stock exchanges on the continent. It arises even more from the natural expectation of the investing public and of members of the two exchanges that the union will increase facilities for trading, bring buyers and sellers into quicker and therefore more profitable contact and give the operations of the two stock exchanges a more extended scope.

* * *

ONE cannot think of the merger simply in terms of the interests of the members of the two exchanges. In Canada, as elsewhere in the world, there is taking place a recasting of the entire financial machinery to suit the new conditions produced by the depression and to rebuild public confidence.

The public interest under present conditions is paramount. Therefore it is very important to know that Ontario's securities commissioner has "sat in" with representatives of the two stock exchanges. He represented the public, without whose approval the agreement for the merger could not be made good.

It is, of course, merely the decision to merge which has received public approval. The by-laws and regulations of the new exchange can be prepared and accepted only after the new body is a corporate entity and it is hoped and believed that the co-operation already shown by exchange executives and the securities commissioner will continue so that the new exchange will work out an organization, by-laws, regulations and rules which will mark an advance on anything ever yet tried in Canada.

* * *

Should Watch U. S. Closely

THE interim management committee of the new exchange is doing well to make haste slowly at this juncture. There is no model on which they can pattern too closely. Even the example of the New York Stock Exchange cannot be too closely followed because the wholesale revising of securities legislation in the United States, and the Congressional investigation now going on, plainly indicate that even the New York Stock Exchange may undergo some considerable changes in control and public relations in 1934. Despite the astuteness of the governing body in anticipating and putting into effect striking reform measures to meet public opinion, a strong effort is expected at the next session of Congress to secure legislation which might lead the great New York Exchange to losing its entirely private character and becoming at least a semi-public body.

* * *

THE situation requires careful watching. Whatever is done in the United States will make necessary adjustments in Canada. It is very important that what is being done in the United States should be studied with the utmost care. It may be that United States legislation now in effect is as repressive and unfair as some of the critics say but it has many good points.

The Canadian effort promises well. Sounder development should come from reforms brought about from within. If important relations are to grow throughout the years with the New York Stock Exchange and the London Stock Exchange, the new Toronto Stock Exchange must be so constituted that it wins the confidence of members of those great exchanges. Some community in ethics practice and machinery there must be and exchange members themselves should be the best authorities as to what should be done.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Cabinet Has Holiday

FOR the first time since August, 1930, the Bennett Cabinet has had a prolonged lay-off. For some unaccountable reason the cabinet meetings in the past month have been very few. Whereas the cabinet used to meet almost daily and used to prolong the sittings, often, until far into the night, the ministers have met but once or twice in the past fortnight and on these occasions the meetings have been brief.

* * *

France and Her Quotas

FEARS that the French Government would shortly adopt a new quota policy which might prove disruptive of Canadian exports now appears to be groundless. The French Government were officially reported to be in favor of granting quotas only upon condition that foreign countries bought goods from France, dollar for dollar.

The system most favored was that France would make 25 per cent of each quota available and the balance would be held in reserve. When foreign countries bought French products, a corresponding import under the quotas would be permitted. In other words, if foreign countries desired to sell to France, they must buy in return. The French Government has always declared quotas three months in advance and the change in policy was believed to be very near when the French Government, last October 1, declared the quotas for but a single month. Last week, however, France declared the balance of the quotas and this is taken to mean that the proposed policy has been abandoned, at least temporarily. Canada was deeply interested by reason of the fact that there are about a dozen quotas affecting Canadian exports.

* * *

Government Wheat Guarantees

THE position of the Federal Government with respect to the wheat operations of Wheat Dictator John I. McFarland, is a matter of great interest in political circles at Ottawa. It is generally believed that Mr. McFarland is holding just as much, if not more, wheat today as he was last spring, before the market soared to $1 per bushel. The sudden rise was followed by an equally sudden drop and it is understood that what Mr. McFarland sold at the top he was subsequently compelled to re-buy on the down swing.

The Liberal party, it is believed, is considering the advisability of demanding a special investigation into these wheat operations by a committee of the House of Commons during the next session. The Government, hitherto, has declined to give any information as to governmental commitments in this regard, declaring it not to be in the public interest.

* * *

Gratuitous Tariff Cut

THE Government of Argentine seems to be following a queer course with respect to tariffs. A few months ago, Argentine, hitherto substantially a one tariff country, entered into a trade treaty with Great Britain under which British goods were given a tariff preference. Last week, without any explanation, the Argentine Government nullified the preference by reducing the general tariff to the treaty level. Canadian exports, which compete with British goods, benefit by this strange action, but the reason for it is awaited by the Trade and Commerce Department with much interest.

* * *

Retiring Bonuses

IN RECENT years many civil servants have been released and many of them held contracts with the Government which, in reality, have been broken. A test case is now before the Privy Council, which will decide if the Government has the power to abolish positions without compensation to men who had been hired for a term of years to fill them. The lower courts have held that the Government, unlike companies or individuals, has the right to change its mind. But if the Privy Council rules otherwise there will be a tidy sum of money coming to a score or more of ex-civil servants.

* * *

New Market for Eggs

A NEW and valuable market for Canadian eggs has been developed in Great Britain. Exports in 1932 were nil but this year the total for the first nine months exceeds 70,000 cases (30 dozen to the case). And a still greater volume of sales to Britain is expected when the Government's anti-condensation plant is completed at London. The Government is building this plant to facilitate exports of poultry and eggs. It should be completed in time for the Christmas trade. Some 50 carlots of poultry are already booked for the British Christmas trade.

Political, Financial Abuses Must End in Newfoundland

That Newfoundland faces a twofold need of very real significance is clearly shown in the 280-page report of the Amulree Royal Commission, published this week.

On the one hand the commission reveals that the island has suffered from political maladministration which has brought on difficulties "largely due to the reckless waste and extravagance, and to the absence of constructive and efficient administration, engendered by a political system which for a generation has been abused and exploited for personal or party ends."

The other critical matter is the extreme financial plight of the island which must be lightened, "if the country is to be saved from the imminent danger of financial collapse."

The following paragraphs are the commission's summary of the financial situation now confronting the island:

"(1) The island is in extreme financial difficulties. These have been intensified by the world depression, but they are due primarily to persistent neglect of proper financial principles on the part of successive governments during 1920-31.

(2) The onset of the depression found the country, as a result, with little or no powers of resistance. The people are impoverished. No less than one quarter of the entire population was in receipt of public relief prior to the commencement of the fishing season, while the general level is one of bare subsistence. Without a long-range programme of reconstruction, which it cannot undertake unaided, the country will have little power of recuperation even when times improve.

(3) There has been great improvement in financial administration as the result of the appointment from abroad of successive controllers of the treasury. But the effective work of this officer depends upon close co-operation and satisfactory personal relations between the government and himself. These conditions are fulfilled at present, but they may not always be fulfilled.

(4) The customs duties, which provide the great bulk of the revenue, require revision. This is about to be undertaken. There is little prospect of an increase in revenue in existing conditions; indeed, the revision of the tariff may be expected to lead to a temporary decrease.

(5) Immense economies have been made in the normal expenditure of the government. This expenditure cannot remain for very long at its present low level.

(6) The present burden of public debt is wholly beyond the country's capacity, and it is essential that it should be lightened if the island is to be saved from the imminent danger of financial collapse."

COMPLETE NEW DEAL URGED BY COMMISSION UPON NEWFOUNDLAND

(Continued from page 1)

"only do so of her own free will on terms which would make her a contented partner."

Future of Labrador

The contentious problem of Labrador is thoughtfully probed, the commission favoring the lease of the territory to a trading company operating under charter or other authority, the company administering the territory and paying Newfoundland either a lump sum or annual rental for trading rights. Failing this, the commission believes Newfoundland should retain the territory and administer it. An aerial survey of the territory as soon as funds permit, is urged, while in any scheme adopted it is deemed that Newfoundland will safeguard the fishing rights of Newfoundland fishermen on the coast.

The commission urges that if the Petroleum Products Fund which gives Imperial Oil of Canada a trading monopoly in return for loan service, could be paid off at an early date, it would be "of benefit to the community." It suggests also that the present tariff structure which is "unscientific, excessively complicated and presses too hardly on the poorer classes" is in urgent need of readjustment. All undeveloped and unworked lands should be subject to an annual tax.

Gives Intimate Picture

Covering over 280 pages, the report is an amazing, complete and intimate picture of the trials, tribulations and successes of Britain's oldest colony. It traces in detail the history of the Island since the granting to it of responsible government by Governor Sir Charles Darling in 1855. To read the tragic sequence of events which visited this sturdy colony in the last fifty-year period, commencing 1846, is illuminating in light of present day considerations.

Great dependence on the ebb and flow of the fish catch has made the Island particularly susceptible to recurrent spells of poverty with which have been mingled periodic plague and disaster. Thus, in one year alone (1846) a terrible fire swept through the capital city of St. John's; a hurricane overwhelmed a great number of fishing craft, and the potato crop failed through blight. A disastrous cholera epidemic seized the Island in 1854 and in 1860 the fishery partially failed with widespread distress and poverty. But, in the words of the commission, "Worse was in store," for:

". . . after an indifferent fishery in 1861, the island was visited in the spring of 1862 by a blockade of ice of unprecedented severity. For 52 days the wind blew continuously from the northeast, driving the ice on to the land, and no rain fell for two months. On the northern coast numbers of seals were taken from the shore, but the ship seal fishery, in which steam was used for the first time, was an almost complete failure.

"This disaster was followed by the partial failure of the cod fishery. The people had no reserves on which to fall back and were reduced to a pitiable condition. The next few years brought no improvement and the increasing pauperism became a source of continual anxiety to the Government. It was not indeed until 1869 that a remunerative catch was obtained. In the interval numbers of the people had emigrated to the United States and Canada."

The paragraph is illuminating as typical of the type of hardship and misfortune which has dogged the steps of the Newfoundlanders. Such trials left a mark on the people "not easily obliterated."

Thirty years later a similar set of misfortunes on an even larger scale occurred. In 1892 a sealing disaster occurred with heavy loss of life and great suffering and distress. In the same year the worst disaster in the history of the Island—a fire which ravaged three-quarters of St. John's, at an estimated loss of $20,000,000, occurred. In 1894 a great financial crisis with failure of the banking system, overwhelmed the Island and an entire financial collapse of the Island was but barely averted.

"The distrust engendered in the confused conditions of this period," says the report, "has never been wholly dispelled. The effect on the morale of the people, unlettered and educated alike, was deep and permanent.

"Newfoundland has enjoyed her years of prosperity in the present century but never have those with capital large or small shown any marked desire to invest it within the confines of their own country, whether by the purchase of Government securities or otherwise. Indeed, it has been computed that not even as much as 5 per cent of the bonds comprising the public debt are held in Newfoundland. This aversion from local investment is shared by the fisherman, who prefers to hoard his savings, whether by hiding them in his house or by leaving them on deposit in the banks."

One Bright Spot

The one bright spot in the political history of the Island is the four year tenure of office as prime minister of Sir Robert Bond, who:

"Left behind him a reputation of far-sighted devotion to the interests of the island and is generally regarded as the most statesmanlike figure in the line of Newfoundland prime ministers. Today, a disillusioned people, looking back on the past, single out the years of his premiership as a period of orthodox finance and sane government when the fortunes of the island were at their zenith; there was almost unanimous agreement among witnesses that the present period of misfortune might be regarded as having originated with his fall from power in 1908."

Acute Financial Plight

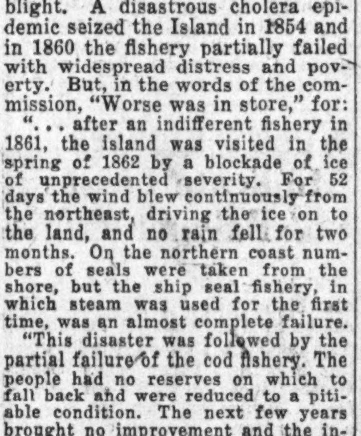
Coming to the last decade and more particularly the situation which brought about the present crisis, the extent and gravity of the Island's plight is sharply etched in the following trenchant paragraphs:

"Unfortunately, the benefits which the island derived from these favorable turns of the wheel of fortune were almost wholly discounted, as we shall show, by a reckless disregard of the dictates of financial prudence. The 12 years 1920-1932, during none of which was the budget balanced, were characterised by an outflow of public funds on a scale as ruinous as it was unprecedented, fostered by a continuous stream of willing lenders. A new era of industrial expansion, easy money and profitable contact with the rich American continent was looked for and was deemed in part to have arrived.

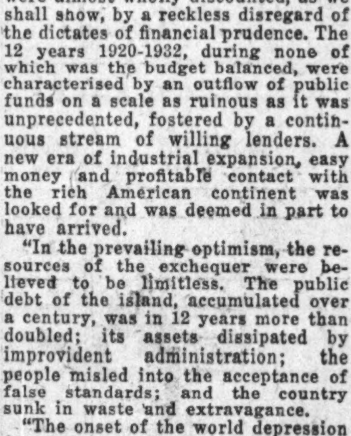
"In the prevailing optimism, the resources of the exchequer were believed to be limitless. The public debt of the island, accumulated over a century, was in 12 years more than doubled; its assets dissipated by improvident administration; the people misled into the acceptance of false standards; and the country sunk in waste and extravagance.

"The onset of the world depression found the island with no reserves, its primary industry neglected and its credit exhausted. At the first wind of adversity, its elaborate pretensions collapsed like a house of cards. The glowing visions of a new Utopia were dispelled with cruel suddenness by the cold realities of national insolvency, and today a disillusioned and bewildered people, deprived in many parts of the country of all hope of earning a livelihood, are haunted by the grim spectres of pauperism and starvation."

New Directors Elected

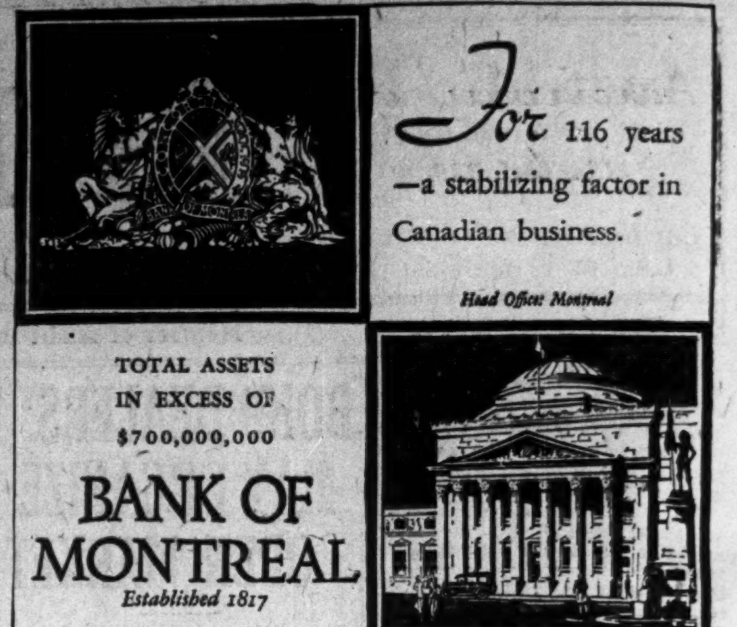


W. R. G. HOLT



WALLACE B. PHILLIPS

These two new directors of Bruck Silk Mills include one Canadian and one Britisher. Mr. Holt is a Montreal broker and financial man, son of Sir Herbert Holt, and connected with other Canadian companies. Mr. Phillips lives in London, England, and is on the board of thirty-seven European corporations.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BANK OF
MONTREAL
Established 1817

THINKS WALKER IS BEST FIXED IN U. S. FIELD

(Continued from page 1)

Kentucky, Indiana and Illinois. Eventually Peoria was chosen. Messrs. Smith, Hinchman and Grylls, of Detroit, were chosen to lay out something which would be considered as a proper distillery development.

Are Not Sorry

"All this took place when only a few states had voted wet. But on June 26 Indiana voted, followed on July 10 by Iowa. The decision to enter United States came when the states, usually considered "dry," turned over to the wet column. We then purchased the site at Peoria, feeling that this would only entail a partial loss if eventually it was found better not to go ahead. We got the best co-operation possible from Mayor O'Brien, the council and business men of Peoria, Ill. And also, I believe Illinois to be the most friendly state to the distilling trade in the United States. Five months have not changed our opinion that Peoria was the proper place to go."

An address was also made by Hon. W. E. Hull, who is best known to Canadians for his part in promoting the Chicago drainage canal. It is interesting to note that by reason of that canal this company can ship by water to almost any part of the United States which touches water. It can go down to the Gulf or out through the Great Lakes.

Warm Winter
GLOVES
FOR MEN

English fur back driving gauntlets (illustrated) $10

English tan capeskin or grey suede, fur-lined $5

Fownes English grey suede gloves, fur-lined $6

Domestic fur-lined gloves, of tan or grey cape ..3.50

Beaver lamb strap-wrist driving gloves 3.50

Pigskin gloves with seamless wool lining 4.50 and $6

Street Floor

THE ROBERT SIMPSON COMPANY LIMITED

BOND DEALERS MAY ORGANIZE OPEN MARKET

(Continued from page 1)

advisability of the formation of a bond exchange.

"A bond exchange would have many advantages both to the public and to the investment houses. The present system is harmful to the investor in that it puts a premium on the sale of the least desirable securities to the public because the profit from the sale of the best grade securities is insufficient.

"The present system lends itself to the criticism of self-interest on the part of the dealer or banker because he generally owns the securities he recommends whereas, under the proposed new system, he would be acting mainly in the capacity of an agent and the theory is that as such his advice would be less apt to be biased.

"Under the proposed new system official quotations and volume of sales would place the investor in a better position to judge the desirability of the security, especially from the viewpoint of price range and marketability.

"The proposed new system would ensure that the investor get the best existing market price. Under our present system, competition has been sokeen that, in order to make a reasonable profit, it is frequently necessary to take a liability totally unwarranted in relation to the possibility of loss. This system cost huge inventory losses during the past three years. Our present system lends itself to price-cutting, rebates and unethical practices which are undesirable and unfair, both to the dealer and to the investor."

Colonel Drew Approves

It is understood that Colonel Geo. Drew, Ontario Securities Commissioner, is thoroughly in accord with organization of a bond exchange in Toronto by the central section of the Investment Bankers' Ass'n and has been urging quick action. He believes that if a committee of the investment bankers of Canada recommend a bond exchange it would probably come swiftly into being.

Col. Drew is also understood to be of the opinion that necessary as is one or more bond exchanges it is even more in the public interest that the investment bankers should form some such a body as that of doctors and lawyers to formulate ethical codes to which all members must adhere. It is urged that a most salutary influence on Canadian financial life would be exerted by the formation of a committee with power to disbar members for cause from participating in investment banking just as lawyers are able to disbar a lawyer or doctors to take back the rights given to a doctor to practise the healing art. This committee would deal with evils at their source because the greatest financial looseness in Canadian investment banking has occurred in floating various issues since the war. Far too many of these issues will never be heard of on a bond exchange because they are now worthless.

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Felt & Tarrant Ltd. (Comptometer)
International Business Machines Co. Ltd.
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Australia Recovering Under Own Steam

Combination of Deflationary and Inflationary Action Brings Results — Wages, Interest, Government Expenditures Reduced

Australia, first of the large British Dominions to feel the depression, is coming back; and largely under her own steam. This is of particular interest to Canadians because of a number of similarities in our economy.

With all the variety of plans for economic recovery which have been and are being tried throughout the world, it may not be remarkable that at least one country should seem to have struck on a good one. Australia, with her "premiers' plan," is fortunate in having done just that. While Australian sources indicate that there is still much to be done, before the Commonwealth fully recovers, there are many indications that active measures, partly inflationary, partly deflationary, which have been devised within the country have done much to improve conditions.

Professor Douglas Copland of the University of Melbourne summarizes the combination of policies which helped Australia in Lloyds Bank Monthly Review as follows:

Summary of Policies

(1) A reduction of real wages, determined by the Commonwealth Arbitration Court.

(2) Reductions in government expenditure and increases in revenue.

(3) Reductions in interest, both private and public, and in rents.

(4) Expansion of central bank credit to finance deficits and necessary loan works.

(5) Depreciation of the currency to correct the balance of payments, assist export producers and sustain the internal price structure.

The combination resulted in cutting of costs, rents, real wages, and Government expenditures. Coupled with bold financing by banks and insurance companies, the result has been virtual elimination of heavy governmental deficits and creation of widespread evidences of general business improvement.

Those who follow the financial news, or who held Australian bonds, will remember the crisis in that country early in 1931. The fall of world prices starting late in 1929 and subsequent cessation of lending to Australia sharply reduced the national income. Primary producers and laboring classes were most affected by the low prices and collapse of construction activity. Then the rest of the community began to suffer. The real debt burden increased, unemployment rose sharply, Government deficits grew alarmingly, and the whole economy of Australia was out of joint.

Adopt Premiers' Plan

In May, 1931, the "premiers' plan" was agreed upon. In April a committee of economists and under-treasurers suggested the plan to the Australian Loan Council. The state and federal premiers adopted it with modifications. The plan called for a cut of 20 per cent in Government expenditures and reduction of internal interest rates and rents.

Recovery measures taken in Australia amounted to compromise between inflationary and deflationary action. Inflationary measures were abandonment of the gold standard, which occurred in 1929, and, later, financing of Government deficits and works. Deflationary measures consisted of the reduction of wages, interest rates, rents and Government expenditures. It is noteworthy that a combination of deflationary and inflationary action has been the answer of many of the foremost British economists to the question of how recovery may come.

Abandonment of the gold standard did not raise prices in Australia. But in the disastrous decline which followed 1929, it lessened the decrease of internal returns to Australian producers of primary products. While world gold prices were dropping 70 per cent between 1928 and 1932, and sterling prices 55 per cent, depreciation of the Australian pound kept the decline of internal prices to about 45 per cent. Gold abandonment was inflationary to the extent that it kept Australian prices from falling as much as others.

Reduced Deficits

As to deficits. In 1931-32, after starting the premiers' plant, deficits in Government budgets were cut to £18,400,000, compared with an earlier estimate of £42 million. Nevertheless the financing of the 1931-32 and earlier deficits amounted to an inflationary policy. In 1932-33, however, deficits of the states have been cut to £8.6 millions, which is offset by a surplus for the Commonwealth of £3.5 millions. And then £7.8 millions were contributed to sinking funds during the year. So that actually there might be said to have been a surplus all round of £2.7 million in 1932-33.

Further inflationary action is seen in the continuation of Government loan expenditures for public works. These have been reduced to about £20 million annually, compared with about twice that amount before the depression. The result of these inflationary moves appears to have been to keep prices and business activity somewhat above what they might otherwise have been.

Deflationary Policies

Deflationary action was taken to adjust governmental budgets and internal costs in Australia to the lower level of prices and incomes.

Wages responded with more elasticity than might have been expected. State and Commonwealth arbitration boards adjust quarterly what are known as "basic" wages in Australia, in accordance with changes in the cost of living. Before the premiers' plan was adopted, the basic scale had already been cut 10 per cent. Another 10 per cent cut was ordered, and between 1929 and the end of 1932, the basic rate was lowered in all by 30 per cent.

It was also decided to cut Government expenditures 20 per cent. This was not deemed sufficient, so all interest rates on Government and other bonds and securities payable in Australia were cut 22½ per cent. This brought the cost of the internal Government debt down from about 5¼ to less than 4 per cent. In addition Governments cut salaries, wages, and pensions, and made economies in departmental operations. The total costs of Government are estimated to have been reduced over 30 per cent.

In conjunction with the reduction of interests rates on public and private debt rents were reduced on a wholesale scale. Mortgage interest rates were cut, first, by the Australian Mutual Provident Society, largest Australasian insurance company, and other large lenders followed suit.

Banks Cut Rates

Bank deposit rates were cut to two per cent for three months fixed deposits and three per cent for two years deposits, compared with 4½ and 5¼ per cent respectively in January, 1931. Rates on loans were also reduced. Another aid to the lowering of interest costs has been the low level of London rates. Australia has completed several conversion operations on London loans, reducing rates from up to 6 per cent to less than 4 per cent. In addition, the recent fall of the United States dollar has reduced the cost of the portion of Australian debt held on this continent.

Luckily Australia had a number of callable foreign loans outstanding in London. In this respect there is a distinct difference in the Canadian situation where a number of provincial and Dominion loans are payable in New York, and are not callable.

Despite cuts in governmental costs it was necessary to raise tax rates. Sales tax, income taxes, primage duties and special unemployment taxes were increased. Even this has not been sufficient to balance budgets, unless provision for sinking funds is disregarded, as has been shown in the foregoing. Nevertheless the Commonwealth Government in its recently issued budget estimates has provided remissions of taxation of £7.5 million. Some disappointment has been registered that expenditures are to be raised £1.7 million in the 1933-34 year.

Business Improving

Business conditions are improving substantially in Australia. Early this year The Financial Post showed how the premiers' plan had brought immediately beneficial results to Australian finance and industry. This improvement has continued on a healthy scale in the past year.

The Australian economy is not in a completely healthy condition yet. There are still elements of disequilibrium in the internal price structure. Internal investment is not fully restored, and, including sinking funds, budgets are not completely balanced, the estimate of deficits for 1933-34 being 8.5 million. Prices have risen and may offset these shortcomings. There is felt, in financial quarters, to be a need for further tariff reductions to bring down costs of some goods used in manufactures.

That benefits are being realized, however, is shown in the following extracts from a recent monthly letter of the National Bank of Australasia:

Business in The States

Victoria—"The building trade continues much more active than in the past two years. Permits issued in greater Melbourne during August were valued at £307,456, which compares with £256,169 for July this year, and £178,859 for August, 1932. Increased employment in the building and subsidiary trades, and larger turnovers of building materials, furnishings and equipment, have resulted."

New South Wales—"Increased activity in the building industry for some time past is reflected in statistics compiled by the Master Builders' Association. Buildings completed in the six months ended June, 1933, were valued at £1,598,000. For the parallel six months of last year the value was £504,000.

"A report issued by the Unemployment Relief Council shows that, during the twelve months ended June 30 last, the number of registered unemployed has fallen from 200,000 to 125,000."

Queensland—"Wholesale turnovers are being well maintained, notwithstanding lower prices for some commodities, while retail houses report sales as satisfactory, with a slight increase above the figures for the corresponding portion of last year."

South Australia—"Though it is somewhat early for the full effects of the higher wool prices and improved seasonal outlook to be noticeable, trade shows a definite improvement over the month. Increased activity in the building industry has been followed by larger turnovers of builders' supplies, and a better demand for furnishings."

Western Australia—"While the general tone of business is brighter than in September last year, only a small improvement in trade turnovers is reported, though better results are expected during the following months.

"The increased prices obtained so far this season for wool are expected to stimulate country buying, while the marked activity in the gold fields is assisting trade in many directions."

Tasmania—"Retail trade for the month of September shows some improvement, and turnovers generally are higher than those for the parallel month of last year. The building and furniture trades are fairly active, and an increased demand for builders' supplies is reported by hardware houses."

Of course, there are also unfavorable factors in some spheres of Australian business, but they appear to be subservient.

Probably the most remarkable feature of the Australian measures has been the co-operation of all sections of the community. Wage-earners, banks, industries, large-scale lenders and state and Commonwealth Governments all made sacrifices for the common good.

Regina Revenue Better

A statement of revenue and expenditure for the city of Regina for the first nine months of 1933 shows a net increase of $36,517 in revenue over estimates. This consists of $41,119 increase in revenue, and $13,725 decrease in expenditure from estimates, a total of $54,844. Increase of $.8,327 in some expenditures reduces the net improvement to $36,517.

Germany Buys Large Quantities Canadian Foods and Raw Materials

Is Not Extensive Buyer of Our Manufactured Products —Trade Treaty Again in Force

By J. K. ROSS-DUGGAN.
Editor, Canadian Trade Abroad.

For many years Germany has been a large purchaser of certain types of Canadian products and has often ranked after the United States and the United Kingdom as our third most important export market.

A visitor to Germany will see very few indications of the important business which Canada enjoys there principally for the reason that our exports to Germany comprise foodstuffs and raw materials. For instance in the fiscal year ending March 31, 1929, Germany bought from Canada among other items, agricultural and vegetable products worth $35,000,000, animals and animal products $2,000,000, iron and non-ferrous metal products $7,100,000, and non-metallic mineral products $1,400,000.

Our trade relations with Germany provide an interesting study of comparative foreign trade figures.

The following are taken from Canadian Government statistics:

Canadian Official Figures
Fiscal Years Ending March 31

	Exports to Germany	Exports from Germany
1929	$46,708,804	$20,797,683
1930	25,343,661	21,505,428
1931	12,942,230	16,197,030
1932	10,405,256	11,657,860
1933	8,057,105	9,088,905

German Official Figures
Years Ending Dec. 31

	Exports to Germany (in million Reichsmarks)	Exports from Germany
1929	301	84
1930	132	70
1931	99	47
1932	64	33
1933 (first 6 mos.)	32	12

According to our figures Canada in 1929 bought $21,000,000 of merchandise from Germany and in return exported produce to the value of $47,000,000. According to the German figures for 1929, Germany bought from Canada approximately $90,000,000 worth of exports.

Explanation of Disparity

This difference needs some explanation. Cargoes shipped from Canadian ports are credited to the country for which the vessel is cleared. For instance a cargo of grain may be cleared for London and listed as an export to the United Kingdom. While on the high seas, such cargoes are sometimes sold and diverted to Hamburg or Bremen, among other ports. Although credited to Great Britain, such Canadian merchandise is actually exported to Germany.

As indicated in our articles on Belgium and the Netherlands, the ports of Antwerp and Rotterdam are ports of entry for practically all shipments to western Germany. This means that some Canadian cargoes credited to Belgium and the Netherlands constitute exports to Germany.

Canada Represented

Although Canada and Germany, up to quite recently, did not show each other any special trade favors, yet harmony, goodwill and mutual respect have been the characteristics of this business.

For ten years up till the early part of 1932, L. D. Wilgress, now a director of the Commercial Intelligence Service at Ottawa, was Canadian Government Trade Commissioner in Germany with offices in Hamburg.

During these ten years of constructive export work, he established a Canadian tradition and a high standard of personal service which are being carried on by his successor, R. S. O'Meara.

Trade Agreement Operative

Canadian-German trade has fallen off very considerably as a result of the world depression over which no Governments have much control. But a German friend politely pointed out to me that whereas our Canadian statistics of imports and exports for 1933 practically balance at $10,000,000, yet according to German statistics, Canadian exports to Germany were $24,000,000.

A trade agreement between Canada and Germany went into force on January 1, 1933, for a period of three months and was based on the mutual extension of most-favored-nation treatment. In other words the rates of the Canadian intermediate tariff were exchanged for the convention rates of the German tariff. On April 1 this agreement was continued as a new reciprocal trade agreement for a period of nine months. The principal Canadian products favored under this treaty are as follows: apples, butter, canned fruits, canned sardines, tire casings, inner tubes, rubber heels, wooden boxes, mechanical wood pulp, chemical wood pulp, wood pulp boards and newsprint. The German conventional tariff continues on table cheese and hard cheese but table cheese is now limited to an annual quota of 90 metric tons and hard cheese to an annual quota of 1,910 metric tons.

Hamburg Most Important

Hamburg is the commercial centre of Germany and the principal port. A trip by water-taxi around the harbor of Hamburg constituted almost a post graduate course in geography, marketing and the extent of Germany's foreign trade.

The free port of Hamburg is really a country within a country. The free port is outside of the German customs territory. Goods are imported into the free port and stored there without any German customs supervision. By this means, a large trans-shipment trade has grown up whereby goods are shipped to the free port of Hamburg and re-exported to other European countries.

Few Goods Identified

As I moved around Hamburg I found it rather difficult to identify any large number of Canadian branded goods. This is for the reason as mentioned above, that Canadian exports to Germany are principally foodstuffs and raw materials. However, I noted such names as Hoover and Premier vacuum cleaners, Thor washers, C. C. M. skates, Ford cars, Goodyear tires and Ten-test building board.

On the subject of trademarks it is of great importance that Canadian firms should immediately register their trademarks in their own names because the law in Germany entitles the first applicant to any unregistered trademark or brand, irrespective of whether he is the original Canadian owner of the brand or the first German user of the trademark.

There is complete information on this and other merchandising subjects in "Points For Exporters to Germany" published by the Department of Trade and Commerce at Ottawa.

Hitler's Regime

At the time of my visit there were few indications of the recent political revolution that Germany had undergone, except that some streets were being renamed after the new political leaders and many Nazi uniforms were in evidence in the streets and cafés. When talking on this subject, my German friends indicated that their change of government was merely a domestic matter much in the same way as the United States changed the Republican party for the Democrats.

They pointed out the bloodshed and injustices of recent revolutions in Russia, Austria, Spain, Mexico and Cuba and contrasted them with the orderly development of their new Government, handicapped as it was by the immediate necessity for the development of a national organization.

I received courteous treatment throughout my visit in Germany and will say that my passage through the immigration and customs officials on the German border was just as pleasant as moving in or out of the United States or Great Britain.

Friendly Understanding

The average German respects Canada because of the clean fighting instincts of the Canadian troops during the Great War and also because of the excellent impression made by the Canadian forces during the period of occupation in Germany following the war.

We have a great deal to learn both culturally and commercially, from adopting an open mind on Germany's problems. They have always been good customers of Canada. A continuance of successful Canadian-German trade is dependent upon friendly understanding.

Mr. Ross-Duggan recently returned to Canada from his seventh visit to the United Kingdom and Western Europe. He made a two-months survey of these territories for Canadian exports. He is writing several articles on export trade possibilities for Canada.

This is the ninth article in the series.

Business Briefs

Acreage sown to fall wheat in Ontario for the 1934 crop is estimated at 631,000 acres as compared with 595,000 acres sown in 1932 for the current year, an increase of 6 p.c. Acreage sown to fall rye for 1934 is estimated at 422,100 acres, a decrease of 11 p.c. from last year. Condition of fall wheat in Ontario at October 31, 1933, is reported at 96 per cent of the long-time average yield per acre as against 98 at the same date in 1932. Condition of fall rye is placed at 90 the same as in 1932.

Yield of Canada's potato, root and fodder crops in 1933 is under that of 1932 except in the case of potatoes and fodder corn. Estimated yield of potatoes is 41,542,000 cwt. as compared with 39,416,000 cwt. in 1932 while fodder corn is up to 3,105,300 tons from 2,857,600 tons. Turnips are down to 34,776,000 cwt. from 37,766,000 cwt., hay and clover down to 11,291,000 tons from 13,559,000 tons; alfalfa down to 4,649,200 tons from 1,763,500 tons, and sugar beets down to 419,000 tons from 450,000 tons. Yield of potatoes in 1933 shows an increase of 5 p.c. over 1932 as a result of increased acreage sown and increased yield per acre.

The button industry in Canada increased activity in 1932 with an output valued at $991,754 compared with $773,710 in 1931 and $702,470 in 1930. Value of output was highest since 1926 when value was $1,088,953. There were ten factories in Ontario in 1932 with a production valued at $727,175 and four factories in Quebec with production of $264,579. Imports were valued at $226,157. Vegetable ivory buttons ranked first in importance followed by pearl buttons and celluloid buttons.

Leather footwear produced in September by 189 factories totalled 2,035,525 pair, an increase of 18 p.c. over production in September, 1932. Women's footwear accounted for 49 p.c. of total production, men's footwear, 29 p.c. Total production of leather footwear for the nine months ended September 30, 1933, was 15,071,463 pair, as against 13,940,630 pair in the corresponding period of 1932. Production during 1933 from May to September inclusive has been in excess of the production in the corresponding months of 1932.

Portland cement shipments in August amounted to 449,305 bbls., increase of 8.3 p.c. over shipments in July but 12.5 p.c. under shipments in August, 1932. Sales during the eight months ended August, 1933, totalled 1,952,669 bbls. as compared with 3,295,933 bbls. in the same period of 1932.

Failures under the Bankruptcy Act for the week ending November 11, show decrease of 43, the figures being: 1932, 60 and 1933, 17. Figures for the year up to November 11 are: 1932, 1,862 and 1933, 1,326, a decrease of 536 or 28.7 p.c.

Creamery butter produced in Canada during October totalled 18,024,176 lbs., decrease of 4.9 p.c. from October, 1932. Only Manitoba and Alberta showed increases. In the ten months ended October 31, production in Canada was 195,237,239 lbs. an increase of 2.7 p.c. over the corresponding period of 1932. Chief increases were shown in the prairie provinces.

Cheese production in Quebec during October is estimated at 3,000,000 pounds, a decrease of 6.1 p.c. from the 3,190,691 lbs. produced in October, 1932. Production of butter is estimated at 7,000,000 lbs. a decrease of 4.7 p.c.

Paints, pigments and varnishes produced in Canada during 1932 had a value of $14,912,383 at factory, a decline of 20 p.c. from the value of $18,536,463 in 1931. There were 71 factories in operation of which 37 in Ontario accounted for 49 per cent of total production and 17 in Quebec accounted for 38 per cent. There were eight factories in British Columbia, four in Manitoba two in Saskatchewan and one in Nova Scotia, in New Brunswick and in Alberta.

Employment in the Border Cities of Ontario decreased during October entirely due to lower activity of the automotive industry. At the end of October, 11,053 were employed which compares with 11,303 employed in September and 11,249 employed in October, 1932. Of these totals, 5,791 were employed in automotive industries during October, 6,065 in September, and 6,016 in October, 1932.

Customs receipts in the Border Cities showed improvement during October in comparison with figures for October, 1932. This represents the third consecutive month in which improvement has been shown over the same month in 1932. Receipts for the first ten months of 1933 totalled 6,863,782 as against $7,576,838 in the first ten months of 1932.

Expect Early Appointment Supervisors for Yorks

Supervisors will be appointed for the townships of York and East York within a short time, it is now expected. The Ontario Municipal Board recently informed a York township deputation that names of members of its board would be announced about Nov. 21.

East York township council early this week voted unanimously to apply to the Ontario Municipal Board for supervision. A resolution to this effect was passed because the province of Ontario has refused to pay more than 80 per cent of the municipality's direct relief costs and because it is not feasible to refund township debt without going under supervision.

It is anticipated that the province will pay 100 per cent of the direct relief costs in York township after supervisors are appointed. This is also expected for the township of East York. The two municipalities border Toronto, and have a combined population of about 100,000, and funded debts of some $24,000,000.

Alberta Oil Production

Alberta produced 86,358 barrels of oil in September, made up of 82,049 barrels of crude naphtha and 1,478 barrels of light crude oil from the Turner Valley field, 2,200 barrels of light crude oil from the Red Coulee, Border and Keho fields, and 631 barrels of heavy crude from the Wainwright field.

Montreal Business

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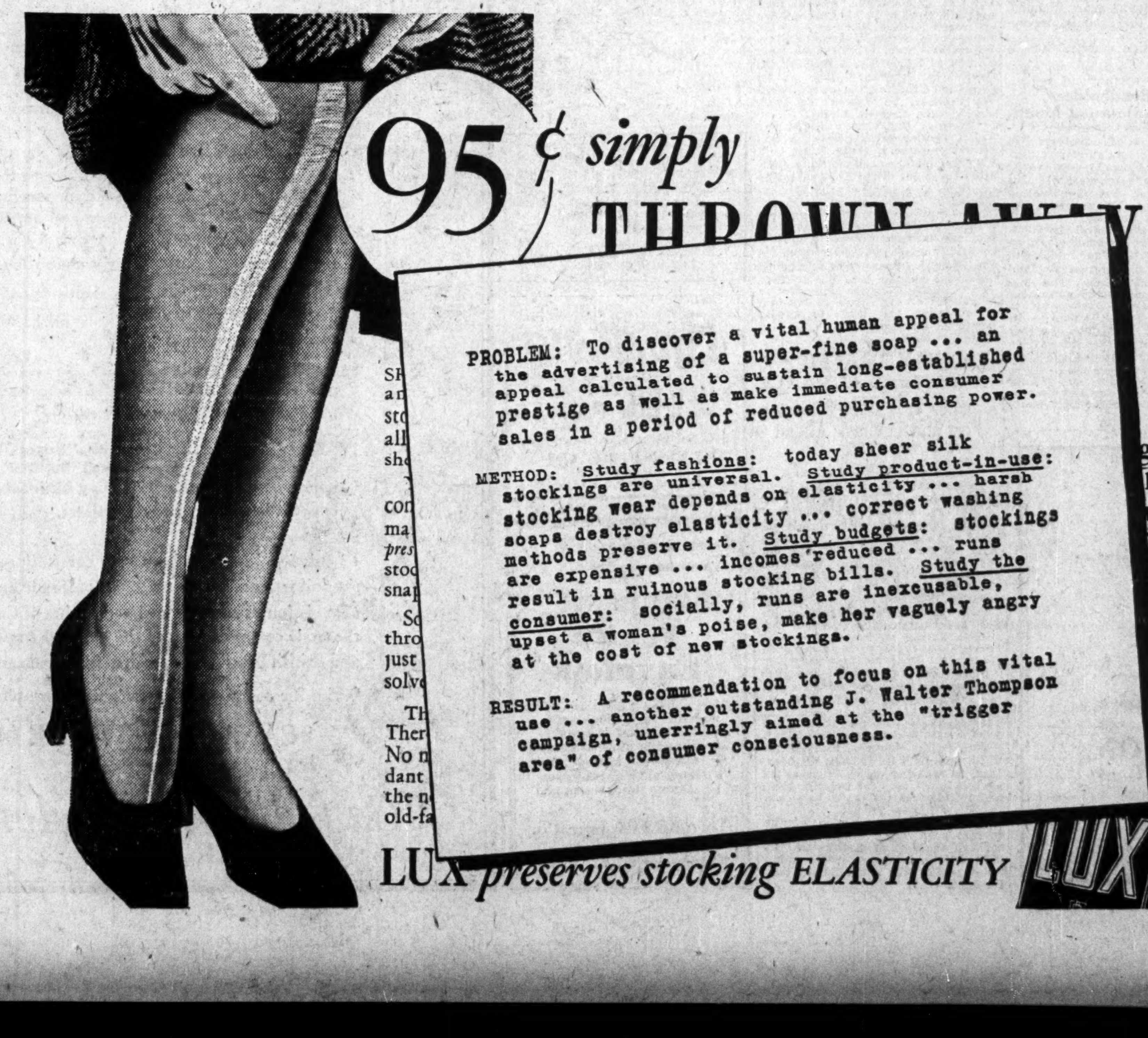

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Utilities and Transportation

CANAL TOLLS ON AGENDA OF COMMONS

Conservative Member to Introduce Bill in House

DEBATE LOOMS

Battle to Reverse Traditional Policy Since 1903 Seen for Next Session

From Our Own Correspondent

OTTAWA.—Regarded at Ottawa as the opening gun of a battle to reverse the traditional policy of toll-free canals, Peter McGibbon, Conservative member for Muskoka-Ontario, has placed a resolution on the order paper for the next session of Parliament.

The text of this resolution has not yet been made public but it is learned that Mr. McGibbon proposes to invite the House of Commons to reconsider the question of canal tolls and to reverse the old policy of free passage to all shipping.

Means Full Discussion

The fact that the resolution is being sponsored by a Conservative member does not necessarily mean that the Government has been consulted and is in agreement with the policy proposed. But it does mean that the broad question of canal tolls will be thoroughly discussed.

Nor would a favorable vote on the resolution bind the Government to adopt the policy. But it is understood that the Government is without profound conviction either way and if the House of Commons displays unanimity with respect to tolls, the chances are that the Government will follow the policy recommended.

Agitation Growing

The McGibbon resolution will bring to a head a campaign which has been under way for more than a year. In this time there has been a steady strengthening of opinion in some quarters that the Government should impose canal tolls where there are no treaty obligations to the contrary.

This is advocated by those who believe the public expenditures on canal communications should be self-supporting and, also, by those who believe that an increase in the transportation charges via canals would enable railways to expand their tonnage and, therefore, their revenue. In Eastern Canada, particularly, canals are the governing factor in freight rates and the imposition of tolls would enable the railways either to gain large traffic from the canals or to increase their own rates and make existing business more profitable.

On the other hand, the proposal to impose tolls is being opposed vigorously by the steamship companies who fear they will lose tonnage to the railways and, in any event, suffer by reason of higher operating costs.

Very strong opposition is believed certain to arise in the Prairie Provinces where minimum export rates to seaboard are deemed vital to the interests of producers.

Canadian Airways Secures Mail Contract

From Our Own Correspondent

MONTREAL. — Canadian Airways Ltd. has been awarded contract for flying mail during the coming winter season between Quebec and Seven Islands and thence to Matashquan with a halt at Havre, St. Pierre, when a service will be operated on a fortnightly basis to Port Menier, Anticosti Island.

In conjunction with the North Shore services, Canadian Airways has been awarded the contract for carrying mails between Charlottetown and the Magdalen Islands, in the Gulf of St. Lawrence, after the close of navigation, this service being operated in conjunction with that between Moncton and Charlottetown.

B. C. Power Earnings Advance This Year

From Our Own Correspondent

MONTREAL. — Net earnings of British Columbia Power Corp. since the beginning of the current fiscal year have been on a better scale than those reported a year ago. Gross revenue in October last amounted to $1,044,420 compared with $1,087,020 for the same month in 1932. Operating expenses were reduced by $49,533, so that net earnings for the past month totalled $341,189 or $6,933 more than in October, 1932.

For the four months of the current fiscal year ended October 31 last, gross income totalled $4,078,474. This is a drop, of $181,434 as compared with the same period in 1932, but the decline in operating expenses more than offset the loss in gross revenue. Net earnings, accordingly, amounted to $1,222,530 as against $1,202,946 for the four months ended October 31, 1932.

Saint John Busier

The amount of freight handled at the Port of Saint John in October showed an increase of nearly 50 per cent over October, 1932. Imports and exports for the ten months of this year amounted to 1,030,457 tons, as compared with 877,734 tons for the corresponding period of 1932.

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Nova Scotia Cold Storage Deal on Exchange Basis

From Our Own Correspondent

MONTREAL.—Halifax Harbor Commission, on authorization of the Federal Government, has taken over the plant of the Nova Scotia Public Cold Storage Terminals at Halifax. An order-in-council authorizing the deal was passed toward the end of last month. Particulars of the deal are not available, but is understood that a meeting of the bondholders will be called shortly to pass upon a proposal which will provide for the exchange of the present bonds for debentures of the Halifax Harbor commission.

Nova Scotia Cold Storage Terminals was organized in 1928. The company built a plant at Halifax comprising three units; general cold storage, apple and potato precooling and storage; and the rapid freezing and storage of fish. About $3,000,000 was put into the property, of which the Dominion Government contributed approximately 30 per cent of the cost of constructing and equipping the terminals.

Sold Bonds to Public

Public financing was carried out by Drury & Co. in the form of $1,700,000 of first mortgage bonds. The capital stock consisted of $220,000 7 per cent cumulative preferred and 50,000 shares of no par value common stock.

In November, 1931, the company failed to pay interest on its funded debt. In the spring of the following year it was intimated that negotiations were under way with a view to disposing of the plant and the bondholders were asked to name a committee of three to carry out the sale of the property. This approval was given in May, 1932.

ISLAND POWER FACES LAWSUITS FLOOD DAMAGES

Montreal Power Subsidiary Sued by Laval Council

From Our Own Correspondent

MONTREAL. — Municipality of Laval des Rapides is seeking damages of $83,663 from Montreal Island Power Co. before the Quebec Public Service Commission. The town claims damages to this amount were caused by the alleged flooding of its public buildings, including the town hall, and damaging of its filtration plant, as a result of the utility concern's raising of the water of the Rivere des Prairies through construction of a dam for development of hydro-electric power in the Back River. Failure of the company to pay these damages within six months, the municipality's brief asserted, should give the town the right to apply to the proper tribunal for demolition of the dam.

Company Denies Allegations

The company in reply denied allegations of damage suffered by the municipality as a result of its having constructed a dam on the Back River. The town hall and other buildings were unaffected by flooding; as for the filtration plant, the site was sufficiently low to have been affected and flooded by water from the river "under natural conditions, independently of any raising of the river by the dam."

The company asserted that the first complaint it had received as to the alleged flooding was in 1931, and the company's engineers conferred with those of the town, and, while not admitting any liability, but in order to avoid further dispute, offered to raise the filtration plant so as to assure its efficient operation. But the town suddenly ceased its negotiations, then resumed them, but no plan was accepted. In July, 1933, the town, through its attorney, made the following offer: that if the company would pay $50,000, the town would agree to a fixed valuation for taxation purposes of all of the company's property in Laval des Rapides for a period of 40 years, such valuation to be based on valuations to be determined by Mr. Justice Stackhouse of the Circuit Court, on appeal, by the company from excessive valuations placed on its properties, and the town agreed to accept $50,000 in full settlement of all claims for damages.

Made Offer of $20,000

The Montreal Island Power Company decided that the remedial works to the filtration plant would only cost $8,000, and in view of the fact that it intended to dispose of all of its property in the town so as to avoid excessive taxation, it held that $50,000 was too much. But to end the dispute, and without admitting liability, it offered the town $20,000. This was refused. For these reasons, it holds that claims of Laval des Rapides are unfounded, and asks that the commission dismiss them.

The commission reserved its decision.

Brandram Bondholders' Meeting Adjourned Month

From Our Own Correspondent

MONTREAL. — Bondholders of Brandram-Henderson, paint manufacturers, met in Halifax to consider the company's failure to meet its last interest payment, but the meeting was adjourned to December 15 because of lack of quorum.

A plan was submitted at the meeting calling upon the bondholders to restrict their demands for interest to the amount of income earned, and available for that purpose. The company proposes only postponement of payment and that arrears up to March 15, 1936, would be paid in installments after that date. Further the company undertakes to pay no dividends until all interest and sinking fund payments have been paid in full. It was proposed to take $30,000 now held by trustee for plant extension and apply it to the first mortgage sinking fund.

Canada Creosoting Will Build New Unit

From Our Own Correspondent

MONTREAL. — Assurance that a pressure creosoting plant will be erected in Prince Albert, Sask., has been given by Hon. J. F. Bryant, Provincial Minister of Public Works. The plant will cost approximately $1,000,000. It will give employment to a large number of men and will be built by the Canada Creosoting Co., as soon as conditions permit.

Canada Creosoting is an almost wholly-owned subsidiary of Dominion Tar and Chemical Co. It has been in operation for a number of years and at present owns and operates creosoting plants at Sydney, Truro, Newcastle, Montreal, Trenton, Sudbury, Winnipeg and Edmonton.

PROPERTY BOARD OPPOSES POWER MUNICIPALIZATION

Montreal Real Estate Body Adverse to Public Ownership

From Our Own Correspondent

MONTREAL.—Montreal Board of Trade's associated organization—the Real Estate Board is not in favor of municipalization of electricity in the Montreal area as such a step would involve a considerable capital expenditure and "would inevitably result in an enormous increase in the annual assessment charges on real estate, and consequent reduction in its value."

A committee of six realtors was appointed by the Real Estate Board to study the question of public ownership of electric services in the province and metropolis. Following their investigation a resolution was drawn up and accepted by the board to the effect that municipalization was unsound.

After pointing out the possible effect on Montreal's finances by the adoption of municipalization programme, the resolution goes on to show the experience of various municipalities in Canada and the United States with their own electric systems. This part of the resolution reads as follows:

"Whereas municipally owned plants are almost invariably more costly than those privately-owned and operated, as is evidenced by the fact that in recent years the following twenty-six municipalities in the province have abandoned the electric services and turned them over to private companies: City of St. Lambert, City of Verdun, City of Lachine, City of Granby, Town of Drummondville, Town of Farnham, Town of St. Jerome, Town of Iberville, Town of Marieville, Town of Bromptonville, Town of Baie d'Urfe, Town of Beaconsfield, Town of Pointe Claire, Town of Greenfield Park, Town of Danville, Village of Neuville, Village of Sutton, Village of Upton, Village of Hudson, Village of Senneville, Village of St. Gabriel de Brandon, Village of St. Ferdinand d'Halifax, Parish of Riviere des Prairies, St. Vincent de Paul, MacKayville, Cote de Liesse.

"Whereas the United States has had a similar experience with municipal ownership, there being only 850 municipally owned plants in operation today out of the 2,820 operating in 1930, a reduction probably explained by the fact, as shown by the United States census, that municipal plants use over three times as much fuel and labor to produce a unit of electricity as do privately-owned installations, the reason no doubt being, as stated by the late W. H. Taft, ex-President, that the introduction of politics always increases the cost of operation and leads to unwise municipal management."

HALIFAX TRAFFIC REGISTERS ADVANCE

Number of Vessels Clearing Port and Tonnage Ahead of 1932

From Our Own Correspondent

MONTREAL.—Marked improvement in the volume of traffic at the Port of Halifax is reported by the commission. Last month 646 vessels entered and cleared the port compared with 545 for October, 1932, and 601 for October, 1931. Net registered tonnage is reported at 769,083 compared with 557,172 and 627,413 in October, 1932 and 1931, respectively. The increase in trans-oceanic service has been particularly marked, 200 vessels having entered and cleared during October last as compared with 153 for the same month a year ago.

Since the beginning of the current year the number of vessels arriving and departing at Halifax is reported at 4,824. This compares with 4,682 for the same period of 1932 and 4,886 for the first ten months of 1931.

Total cargo tonnage handled inward and outward during October, 1933, is reported at 203,515 tons as against 84,407 tons for October, 1932, and 113,141 tons for the same month in 1931.

For the first ten months of the current year cargo tonnage handled through the port of Halifax was 1,393,852 tons compared with 1,243,856 tons for 1932 and 1,311,361 tons for 1931.

CANADIAN CAR REPORTS DEFICIT FOR PAST YEAR

Good Liquid Position, But Working Capital Lower

From Our Own Correspondent

MONTREAL.—Loss on operations and a material decline in liquid position, though the latter is still relatively strong, are features of Canadian Car and Foundry Co.'s report for the fiscal year ended September 30 last.

The railway companies were not in the market for new equipment last year while the volume of other business accruing to the company from other sources was especially small. Operations, therefore, showed a loss of $973,428 which was reduced by $120,122 as a result of income from investments. In the previous year there was a loss on operations of $913,196 and an income from investments of $183,156.

Chalk Up Deficit

The income account for 1933 shows a deficit before common dividends of $1,351,591. This compares with a deficit of $1,255,037 in the previous year. Comparative income accounts for the past three years follow:

	1932-33	1931-32	1930-31
	$	$	$
Profits ...	*973,428	†913,196	‡896,765
Int. earn...	120,122	183,156	164,646
Total inc. .	§853,306	§730,037	1,061,432
Deprec. ...	......	......	250,000
Balance ...	■853,306	■730,037	811,432
Taxes, etc..	......	......	50,000
Balance ...	■853,306	■730,037	761,432
Pfd. div. ..	498,285	525,000	525,000
Balance ...	■1,351,591	■1,255,037	236,430
Com. div. .	......	362,142	640,150
Balance ...	■1,351,591	■1,617,179	■403,718
Prev. bal. .	4,437,868	6,055,047	6,458,765
P. & L. ...	3,086,276	4,437,868	6,055,047

*Combined net loss from operations for fiscal year, before providing for depreciation, (provision for which has been made out of other free reserves).

†Combined net loss on operations after taking credit for reserves not required but before providing for depreciation.

‡After transferring $250,000 from inventory reserve not now required.

§Net loss.

■Deficit.

WORKING CAPITAL

	1933	1932	1931
	$	$	$
Cur. assets.	3,616,198	5,221,368	7,338,806
Cur. liabs...	389,271	517,929	793,389
Work. cap..	3,226,927	4,703,439	6,545,417

Hold Fewer Bonds

The decline in working capital of nearly $1,500,000 is reflected in the balance sheet. Assets are down in value from $30,496,420 at September 30, 1932, to $28,888,027 on the same date this year.

Property account remains much the same at $25,139,179. Inventory values have declined from $1,585,794 to $1,326,634. Accounts receivable are lower by about $70,000 at $371,948.

Holdings of government bonds have declined during the year from $2,399,155 to $1,210,197. Miscellaneous investments are off from $644,775 to $599,775, while cash on hand is reduced $47,000 to $102,369.

Other items among assets show little change.

Reduce Prefered Stock

Principal change among liabilities is a reduction in outstanding preferred stock from $7,233,625 to $7,080,750. No change has taken place in the issued common stock.

A premium of $475,775 on share redeemed has been transferred to the depreciation reserve which now stands at $8,840,229. Current liabilities are lowered.

Comment on Operations

In his report to the shareholders the president, W. W. Butler, had the following to say in part:

"On account of many valuable exclusive contracts for equipment accessories which your company enjoys, it is necessary to maintain your plants in a condition to accept any business which is offered. Despite rigid economies, the volume of business has not been sufficient to permit of a net profit on the entire operations of your companies. However the continuance of operations, even on such a reduced scale, enables the preservation of a nucleus of an organization which will be available to obtain the maximum benefit from the business which must eventually come to us.

"The operations of the Canadian General Transit Co., in which your company holds a controlling interest/have been maintained on a profitable basis throughout the year."

Public Utility Earnings

Winnipeg Electric

September:	1933	1932	Decrease
	$	$	$
Gross earn. ..	396,911	429,652	32,761
Oper. exps. ..	281,468	307,448	25,980
Net earn.	115,443	122,224	6,781
Nine months ended September 30:			
Gross earn. ..	3,813,227	4,166,457	353,230
Oper. exps. ..	2,728,046	2,948,601	220,555
Net earn.	1,085,181	1,217,856	132,675

Manitoba Power

September:	1933	1932	Decrease
	$	$	$
Gross earn. ..	103,213	105,874	2,661
Oper. exps. ..	24,777	27,069	2,292
Net earn.	78,436	78,805	369
Nine months ended September 30:			
Gross earn. ..	924,204	1,012,264	88,060
Oper. exps. ..	205,845	234,052	28,207
Net earn.	718,359	778,212	59,853

B. C. Power

October	1933	1932	Decrease
	$	$	$
Gr. earn. ...	1,044,420	1,087,020	42,600
Oper. exp. ..	703,231	752,764	49,533
Net earn. ...	341,189	334,256	†6,933
Four Months End. Oct. 31:			
Gr. earn. ...	4,078,473	4,259,908	181,435
Oper. exp. ..	2,855,944	3,056,962	201,018
Net earn. ..	1,222,529	1,202,946	†19,583

†Increase.

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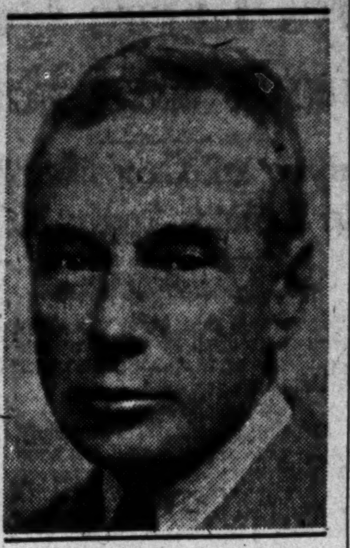
New Director



J. G. DODD

Sales manager of Dominion Textile Company, Limited, who has just been elected a director of the company.

Southern Canada Power Earnings Off in October

From Our Own Correspondent

MONTREAL. — Southern Canada Power reports gross earnings during October, 1933, the first month of the current fiscal year, of $179,894. This represents a decrease of $6,458 compared with that reported in October, 1932. Offsetting this decrease, operating expenses were reduced by $1,250, leaving net earnings for the past month of $114,070. This was $7,708 less than in the same month last year.

Coast Lumbering Improves

Enquiry in local lumber circles reveals that the industry in British Columbia is in a better position, in practically all important foreign markets than it was a year ago. Oriental buying has picked up to a marked extent and the demand from England has been exceptionally good. Formerly this demand was only for fir but now it has extended to hemlock and white pine, two cars of the latter having recently gone forward.

ABITIBI POWER RETURNS LIMITS TO DONAHUE BROS.

From Our Own Correspondent

MONTREAL.—Reported but officially unconfirmed sale of groundwood pulp mill of Murray Bay Paper Co. for a cash consideration of $46,000 to Donahue Bros. is believed here to represent really a return of the mill to Donahue Bros. It is recalled that in 1926 Murray Bay Pulp Co., predecessor of Murray Bay Paper Co., made a contract with Donahue Bros., Ltd., leasing a groundwood pulp mill and timber limits for 20 years at an annual rental payment with other charges required to be met of upward of $150,000. This contract was later guaranteed by Abitibi Power & Paper Co., and it was understood when Abitibi took over Murray Bay Paper Co. that, in the event of default in the carrying out of the terms of the contract, a claim could be made on Abitibi Power & Paper Co.

Abitibi Glad to Sell

Murray Bay Paper Company's lease on timber limits adjoining its mill are estimated to contain 2,300,000 cords of pulpwood. The company's power was purchased under contract from Quebec Power Co. at a cost of $98,400 for power and $22,697 per annum in connection with the construction of the power line. Abitibi has never operated the Murray Bay mill and the position of these various obligations of Abitibi under the merger have been in doubt while the company is in receivership and operating as well under an order in bankruptcy.

G. T. Clarkson, receiver, in his report last spring as to the assets of Abitibi Power & Paper Co. as of September 10, 1932, the time of taking over by the receiver, stated that "question will arise as to the advisability of carrying the Murray Bay paper mill—which has never been operated—at an annual cost of $323,000, or in the alternative of surrendering certain leases attached to it and either boarding up the property or selling it, to get rid of expense."

Apparently, if contract with Donahue Bros. is abrogated and groundwood mill and limits returned to Donahue Bros. for a suitable consideration, the company may follow the rest of the possible programme outlined by the receiver of keeping the property boarded up unless or until a purchaser comes. Abitibi Power no longer needs or wants the property.

Public Utility Earnings

Southern Canada Power

October:	1933	1932	Decrease
	$	$	$
Gross	179,894	186,352	6,458
Exp.	65,824	64,574	*1,250
Net	114,070	121,778	7,708

*Increase.

Nova Scotia
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NEW APPOINTMENTS IN TRADE SERVICE

D. H. Ross Retires; G. R. Stevens Appointed Commissioner at Melbourne

Retirement of Canada's senior trade commissioner, Donald H. Ross, has been announced by the Department of Trade and Commerce at Ottawa.

Mr. Ross, who is 69 years of age, is retiring on having passed the non-enforced age limit of 65. A Nova Scotian, he has spent his entire 30 years in the government service as trade commissioner at Melbourne, Australia.

Born in Englishton, N.S., he was in business in the Maritimes for 18 years before he opened Canada's trade office in Melbourne in 1903. Although his wife is an Australian, he proposes now to return to Canada to live.

G. R. Heastman, Canadian trade commissioner to Netherlands and East Indies, has been transferred to Cape Town, South Africa. Mr. Heastman will succeed G. R. Stevens, who is taking over the duties of Canadian Trade Commissioner at Melbourne, in succession to Mr. Ross.

The duties of trade commissioner to Netherlands and East Indies are being performed by Assistant Trade Commissioner, B. C. Butler.

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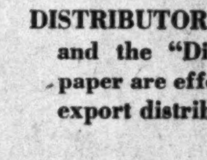

CANADIAN TRADE ABROAD is published for the express purpose of advertising Canadian goods throughout the world, thereby increasing export trade.

CANADIAN TRADE ABROAD, in addition to its paid circulation, has a free, controlled and rotating circulation of over 25,000 copies distributed throughout the Empire and foreign markets. Each issue is sent to a cross-section of over 5,000 of this list.

The sworn statement of circulation for the six months ending June 30, 1933, shows an average of 5,392 copies mailed to Empire and foreign countries per issue.

CANADIAN TRADE ABROAD performs a four-fold function:

INSTITUTIONAL MEDIUM.—In this age of propaganda "Canadian Trade Abroad" keeps Canada to the forefront in international trade and impresses the world with the magnitude and versatility of Canadian industry, thus supplying a background for constructive export sales organization.

CONSUMER MEDIUM.—The paper is creating a demand for Canadian brands of goods among its readers.

DEALER MEDIUM.—The paper conveys information regarding overseas branch factories and distributors of Canadian manufacturers.

DISTRIBUTOR MEDIUM.—The "Buyers' Guide" and the "Distributors Wanted Section" in the paper are effective in developing business between export distributors and advertisers.

J. K. ROSS-DUGGAN, Editor

Circulation lists have been very carefully compiled and checked with the co-operation of the following: The Department of Trade and Commerce, Canadian Government trade commissioners abroad, foreign branches of Canadian banks, prominent Canadian exporters, the trade commissioners of the United Kingdom, Australia, New Zealand, South Africa and British West Indies resident in Canada and through personal visits of the editor abroad. Write for complete information and sample copies.

"CANADIAN TRADE ABROAD," 481 University Ave. Toronto, Canada

"Canadian Trade Abroad" is at your Service

News of Investment Markets

U. K. URGED TO GUARANTEE NFL'D BONDS

Exchange for 30-Year Debentures is Suggested

NEED SUBSIDY

Even 3 Per Cent Coupon Not Low Enough to Balance Colony's Budget, Says Report

Reduction in interest charges of the Newfoundland public debt is deemed "an essential corollary" to political and economic reorganization of the country in the view of the Amulree Royal Commission, whose report was made public this week.

The plan suggested is that the United Kingdom "assume general responsibility for the finances of the Island" and more particularly "make such arrangements as may be deemed just and practicable with a view to securing a reduction in the present burden of public debt."

Three Proposals Suggested

Specifically the Commission outlines three alternate possibilities and expresses its own preference for one of these in particular. It feels, however, that it should not complicate the issue by making detailed recommendations of this nature, but should leave the British Government "complete freedom of action as to the manner in which debt reduction should be effected."

Suggest U. K. Guarantee

The proposal for debt reduction, preferred by the Commission, suggests that the present debt be exchanged for 30-year bonds bearing a substantially lower rate of interest, but guaranteed by the British Government. Even if the new bonds bore a 3 per cent coupon, it was pointed out that a grant-in-aid from United Kingdom would be necessary to balance the budget. The proposal in details follows:

> "It was suggested that the bondholders might be invited to exchange their existing bonds for new bonds running for 30 years and bearing interest at a rate substantially lower than those now in force, such bonds to be guaranteed by Your Majesty's Government in the United Kingdom. It was contemplated by those making these suggestions that a sinking fund of 1 per cent would be established as soon as conditions permitted.
>
> "The saving of the Newfoundland Government under this arrangement would of course depend on the new rate chosen; if this were 3 per cent, it would be approximately $2,000,000 per annum less provision for sinking fund. Such a saving would not be sufficient to liquidate the present deficit on the Island's budget (estimated at $3,300,000) and it was suggested that, until such time as the budget could be balanced, a grant-in-aid might be provided annually from the United Kingdom Exchequer."

Alternate Proposals

Alternate proposals included a plan whereby the British Government assume responsibility for the debt incurred by Newfoundland during the war. This amounts roughly to $13,000,000, with interest charges of approximately $675,000 per annum. Since these charges have been met by fresh borrowing, a further $13,000,000 has been added to the debt of the Island in this way. The second suggestion was that the Newfoundland Government take steps to convert loan obligations to a lower rate of interest as they mature—an operation which would be spread over 25 years—and in the meantime, the United Kingdom should make an annual subsidy to Newfoundland, sufficient to balance its budget after payment of debt interest.

The seriousness of the Newfoundland debt situation is indicated by figures in the report which show that for 12 years current expenditures have exceeded current revenue and in addition fresh expenditure on capital account has been annually undertaken. Loans were raised in each of the 12 years, 1920-21 to 1931-32.

At the beginning of that period the gross public debt was $43,032,785, including two loans of $12,943,400 raised for war purposes; on July 30, 1932, it was $97,638,772. It now stands at a little under $101,000,000 or almost $400 per capita "for a population of low earning power, composed mainly of fishermen on the border-line of subsistence."

Payments for interest, including provision for exchange fluctuation, amount approximately to $5,200,000 per annum or 56 per cent of the average annual revenue of the country for the 12 years 1920-21 to 1931-32 ($9,250,000) and 65 per cent of the revenue for the last two years ($8,000,000).

> "The situation today is that, as a result of the extravagance of the post-war period, a debt has been incurred which is out of all proportion to the country's capacity, and we cannot avoid the conclusion that, given this scale of indebtedness, there is no prospect of the island being able to pay its way, even under normal trade conditions."

Bond Sales

Nova Scotia

Province of Nova Scotia has sold $2,000,000 of 4½ per cent bonds, due 1945, to a syndicate headed by Wood, Gundy & Co. at 96.88. The cost basis to the province is 4.84 per cent. An option was granted to the syndicate on an additional $3,000,000 of bonds at the same price. Bids were:

Wood, Gundy & Co., A. E. Ames & Co., Dom. Secs. Corp., Royal Bk., Can. Bk. of Comm., Eastern Secs.	96.88
Bk. of Montreal, Bk. of N. S., Royal Secs., McLeod, Young, Weir & Co., Fry, Mills, Spence & Co., Bell, Gouinlock & Co., Hanson Bros., McTaggart, Hannaford, Birks; Harrison & Co., N. S. Bond Corp.	96.41

To Meet Taxes Queen's Plaza Up at Tax Sale

Queen's Park Plaza, apartment hotel at the corner of Avenue Road and Bloor St., Toronto, has been advertised for sale for tax arrears owing to the city, in the Ontario Gazette. According to the advertisement the property is to be offered for sale on Feb. 14, 1934.

A portion of the $28,257 owing to the city for taxes and costs is expected to be raised before the sale date, The Financial Post is informed. This would keep the property off tax sale lists.

Negotiations are still proceeding, it is understood, toward financing the building to completion or sale of the property. In either event bondholders will have to make substantial sacrifices in any reorganization, it is claimed. Earlier this year city by-laws were amended so that interior construction might be altered on the first three floors of the building. At the time it was thought that this might help a sale or financing of the building's completion. So far, however, no definite arrangement for money has been made.

SHARP DECLINE STRIKES BONDS ON U. S. SALES

Americans Take Profits on Rise of Canadian Dollar

A sharp slump was recorded in Canadian bond markets in the week ended Nov. 21 largely due to sales and offerings of Canadian bonds from American sources. The rise of the Canadian dollar well above par brought profit-taking from Americans who had purchased high-grade Canadian bonds at large discounts, when the Canadian dollar was at a substantial discount.

Government bonds were sharply depressed. As a result The Financial Post's average yield figure on seven high-grades rose to the levels of early May. The entire advance of the summer and early autumn was wiped out. Considerable confusion in trading occurred because of exchange fluctuations and the volume of American offerings. The result was that spreads between bid and asked prices widened, but volume was comparatively small as our market continued to back away from the offerings.

The decline in high-grades is illustrated by the sharp rise of yields:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
Nov. 21	4.641	Nov. 15	4.441
Nov. 20	4.623	Nov. 14	4.410
Nov. 18	4.544	Nov. 13	4.390
Nov. 17	4.524	Oct. 31	4.420
Nov. 16	4.496	Sept. 30	4.459

Western Provincials

Western provincials were hard hit. Losses of from two to four points were recorded for active issues. The following table shows how both Canadian-payment and U. S.-payment issues felt the pressure:

Declines in Bid Prices for Western Provincial Bonds

Issue:	Bid Nov. 21	Bid Nov. 14	Decline Points
*Alberta 4½'s '56	85	87½	2½
Alberta 6's '47	99	102¾	3¾
*Br. Col. 4½'s '53	85	87½	2½
Br. Col. 6's '47	97	101¼	4¼
*Manitoba 5's '59	89	92	3
Manitoba 6's '47	99	101	2
*Saskatch. 5's '59	88	89¾	1¾
Saskatch. 6's '52	98	100	2

The rise of the Canadian dollar, of course, has made the Canadian prices more attractive to Americans than when our prices were about the same, but with our dollar at a discount. Fear that such a situation might develop was expressed as a dealer's opinion on this page several weeks ago.

Exchange Position

While American buying into our securities is considered one of the chief factors in the rise of the Canadian dollar, it is thought by some observers that our money might have risen substantially higher, if this profit-taking had not developed.

Corporation bonds also inclined to weakness. Declines were most pronounced among public utility liens, some of which are rated among the best corporation issues in Canada. Notable among the declines was a drop of 3½ points in the bid price for Bell Telephone 5's of 1955 and 1957, to 100½. Montreal Power 5's of 1951 were down 5½ points to 101, and Montreal Tramways 5's of 1955 lost the same amount to 69. Gatineau 5's of 1956, one of the most active issues in the international trading, were off five points to 75. Duke-Price 6's of 1966 lost 6½ points to 68, and Quebec Power 5's of 1968 were down four points to 88. Manitoba Power 5½'s of 1951, which had been making sharp gains in the two preceding weeks, dropped seven points

New Issues Offered

The issue of $1,250,000 National Grocers 6's of 1948, which were recently offered at 96, to yield 6.42 per cent, were reported fully sold, at the end of last week. Had the sale come a few days earlier, the issue would have found the market less receptive. This is shown by the relative sluggishness of the new issue of Nova Scotia 4½'s of 1945, which were offered just as the National Grocers marketing was being concluded. The yield of 4.70 offered on the Nova Scotia's was in line with market prices of two weeks ago, but is now slightly below what similar issues yield at open market prices.

The Nova Scotia bonds were bought in an amount of $2,000,000 at 96.88 by a syndicate headed by Wood, Gundy & Co. The province gave the syndicate an option on an additional $3,000,000 of bonds at the same price, but in view of the slump in the market dealers are doubtful whether this option will be exercised.

ALBERTA DEFICIT FIRST SIX MONTHS $364,624 HIGHER

Disbursements $205,837 Lower But Receipts Down $570,461

Despite a reduction in disbursements of $205,837, Alberta's deficit for the six months ended Sept. 30 was $364,624 higher than for the same period of 1932, according to the second quarterly statement of receipts and disbursements recently released by Hon. R. G. Reid, provincial treasurer.

Total disbursements were $8,740,584 for the six months, down $205,837 from 1932, while total receipts were $7,986,644, down $570,461. The deficit for the period was, therefore, $754,039, compared with $389,415 for the same 1932 period.

The budget was drawn up on expectations of reductions of $1,210,000 in expenditures for the 1933-34 year. The receipts and disbursements statement for the six months does not indicate that this has been achieved. It was also estimated that income would be down $1,349,000 for the year, and the six months statement indicates that this has been more nearly experienced. These comparisons, however, may not be accurate for the whole fiscal year.

Deficit Indicated

Mr. Reid warns against viewing the statement as indicative of the results for the entire year because of the seasonal nature of some items of income and expenditure. However, it appears from the statement that there is likely to be difficulty in achieving the surplus of $9,700 anticipated in the budget estimates. Providing that comparison with the same period of 1932 is a fair one, the statement indicates that a deficit equal to, or even exceeding the $2,100,000 shortage in 1932-33, may be recorded.

The cut of $205,837 in disbursements is due largely to reductions by seven departments. Public works outlays were down $329,008, and agriculture payments, $145,809. Also lands and mines, public health, municipal affairs, legislation and provincial secretary's departments disbursed less. Increased expenditures were recorded for education, up $165,697; treasury, up $64,639; attorney-general's department, executive council and others.

Tax Revenues Down

Revenue from gasoline taxes showed an increase of $172,299, due to increase of tax from five to six cents a gallon. Other taxes, however, yielded lower revenues. Succession duties show a decrease of $213,385. The income tax receipts are down $54,870. Liquor profits dropped from $658,534 to $547,790. Chiefly because of increased fees, automobile licenses were up $25,688.

In capital account, $5,000,000 was received from railways on account of amounts due. Debenture issues falling due June 1 and Nov. 1 have been met successfully. American dollar exchange cost $409,576, which may be relieved by the recent advance of the Canadian dollar. The public debt decreased $2,680,498, as a result of debenture redemption.

Calgary Bonds Redeemed When Canadian Dollar Rose

Calgary debentures, which the city refused to pay in United States funds earlier this year, have been redeemed in substantial volume since the Canadian dollar went above par in New York. Mayor Andrew Davison recently announced that all but $973,000 of a $2,500,000 issue, which matured Jan. 1, 1933, had been redeemed. Some $114,000 of bonds were turned in when the Canadian dollar crossed par.

Of the bonds remaining outstanding, $761,000 are understood to be held by The Royal Bank of Canada. There are also some bonds still held in the United States. The Malden Trust Co. of Malden, Mass., has been in the process of taking court action against the city for premium on American funds which should have been paid on Jan. 1, but the case has not come to trial.

Walkerville Brewery Stock Listed in Montreal

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announces the listing of 342,194 shares of no par value common stock of Walkerville Brewery Ltd., with authority to add a further 32,806 shares on official notice of issuance.

Walkerville Brewery was founded by the Hiram Walker family in 1885 and the company was privately owned until distribution of some of the capital stock was made by public offering early this year. The stock was sold at $3.25 per share.

The capital stock of the company consists of 400,000 shares of no par value, of which there are 375,000 outstanding. There are no bonds or preferred stock.

The company's plant located at Walkerville, Ont., next door to the distillery which also bears the Walker name, has an annual capacity of 135,000 barrels, the equivalent of 1,750,000 cases.

Directors of the company are: Herman Radner, president; Charles W. Isaacs, C. P. McTague, K.C., John I. McHale, and E. Thistle.

Shawinigan Power Co. Makes Executive Changes

From Our Own Correspondent

MONTREAL.—At a meeting of the directors of Shawinigan Water and Power Co., J. E. Aldred, president, announced his resignation as head of the company. He is succeeded by Julian C. Smith, who has been acting as vice-president and managing director. Mr. Aldred, however, retains an active interest in the company through acceptance of the office of chairman of the board of directors.

Bruck Silk Mills Elects Two Directors

From Our Own Correspondent

MONTREAL.—W. R. G. Holt, of Montreal, and Wallace B. Phillips, of London, Eng., have been elected to the board of directors of Bruck Silk Mills.

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 19	Pulp and paper 8	Milling 5	Oils 4	Textiles and clothing 9	Food and allied products 19	Beverages 8	Total industrials 93	Total utilities 19	** Total co's. 118
1929-32:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January ..	49.5	3.3	41.1	93.6	36.8	82.9	34.0	59.6	44.6	50.8
February ..	44.4	3.6	39.7	86.5	33.6	80.2	31.6	56.3	38.6	46.6
March	44.8	2.3	37.8	86.7	32.2	78.6	36.0	57.3	38.2	46.6
April	48.6	2.7	44.3	98.1	31.2	85.3	37.8	67.5	38.5	52.0
May	65.5	3.8	60.9	122.4	45.7	105.1	63.2	85.8	47.2	64.7
June	83.0	6.4	70.3	141.6	55.2	118.2	106.4	103.6	53.8	76.1
July	98.1	8.4	79.1	156.6	60.0	139.1	164.3	118.3	58.5	85.0
August	91.2	7.6	76.4	147.6	59.1	126.8	152.1	113.3	53.9	80.3
September .	84.8	7.3	73.0	150.4	61.6	121.0	159.4	115.1	50.7	80.2
October ...	72.4	6.0	70.8	128.7	58.2	111.5	127.5	100.1	45.9	71.5
Weekly Figures:										
Nov. 2	66.0	.6	61.6	119.3	44.4	99.7	124.6	89.2	39.4	64.5
Nov. 9 ...	67.8	.6	61.6	129.9	44.3	101.6	131.5	94.5	39.6	67.2
Nov. 16 ...	67.0	.6	60.9	139.2	44.7	102.9	124.7	97.4	39.3	68.2

*High and low of 1929 and 1932 are based on weekly figures. In 1933 index numbers are given monthly for the first ten months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Good Salmon Pack Reported

BRITISH COLUMBIA salmon pack as at November 4 compared with that of the last four years at the nearest corresponding date, was as follows: 1933, 1,235,480 cases; 1932, 1,046,166 cases; 1931, 664,387 cases; 1930, 2,154,337 cases; 1929, 1,322,170 cases.

Carry-over stocks are well cleared up, marketing conditions much better this year than formerly and it is expected that the 1933 pack will be disposed of before the 1934 fishing season opens. The higher prices paid fishermen for sockeye, however, will prevent B. C. Packers making the expected profit.

* * *

Geo. Weston Ltd.

COMMON stock of George Weston Ltd. is again selling at over $50 per share after selling down to $44 during the past month. The action in this stock is taken in some quarters as an indication of developments going on within the company that have not as yet been announced. In the present year shareholders have authorized an increase in capital; the stock of the subsidiary in the United States has been acquired by the parent company through an exchange of shares; control of a firm of biscuit makers in Scotland was purchased.

Earnings of the parent company in the current year will be larger than the $1.09 earned on common shares in 1932 it is understood. It is also rumored that connection has been made with strong interests in the United States and that the U. S. subsidiary will extend its activities from coast to coast. Since early last June the market on the common stock has been more than usually active and at present prices the stock is not selling very far from the high point for the year of 59½ which was reached in mid-September.

* * *

Provincial Paper

EARNINGS of Provincial Paper, Ltd., in recent months are reported as being larger than in the same months of 1932 although the improvement is not sufficient as yet to offset decline in earnings in the first half of the current year. As a result, the company has not quite earned preferred dividend requirements to date. The company has a good liquid position and continued payment of preferred dividends is not in doubt at the present time. This stock is not listed and with only 35,000 shares outstanding there is seldom an active market for it. The current bid is $65 per share with no stock offered.

ALLEGE ONTARIO SLOW IN MEETING BOND GUARANTEES

Province Urged to Pay Promptly When Debtor Asks Aid

Considerable dissatisfaction is reported from some investors regarding the province of Ontario's manner of meeting its guarantees on some municipal bonds. There have been extended delays in some cases before the province has provided the funds to meet interest when the issuing authority has not done so.

In one case, which was largely cleared up earlier this year, the province is understood to have delayed nearly six months before paying the coupons. This was the case of the township of Calvert, Ont., and holders of some of the bonds are understood to have felt, as a result, that provincial guarantees are not always what they should be.

I. B. A. Asked Action

The Investment Bankers' Association of Canada is understood to have pressed the province for earlier action in the case of Calvert township and some other cases. The answer of the provinces is reported to be that it would not be good policy for the guarantor to be too quick to supply funds. The province is alleged to contend that an investigation is necessary before it is wise for it to come to the aid of a debtor.

It has been pointed out to the province, it is understood, that it is bad for its credit, if guarantees are not met promptly when the issuer of the bonds cannot make payment. The I. B. A. is believed to have argued that it would be better for provincial credit and for investors if the province were to supply the necessary funds first and make its investigation afterward.

Name Border Relief Board to Handle Provincial Funds

Col. E. S. Wigle, K.C., Alfred Moreton and J. S. Schofield are the three members of the Border Cities Relief Board recently appointed by the province of Ontario. Since the province has taken over the entire relief burden in the defaulting border municipalities, it is taking charge of distribution of funds.

Walkerville has not been granted the right to have its entire relief costs borne by the province. If the town defaults on Dec. 14, when principal of debentures is due, and requests a supervisory board, it is expected that it too will have its relief costs taken over by the province and administered by the newly appointed board.

Canadian Airways Pass 10,000-Hour Mark

From Our Own Correspondent

MONTREAL. — Machines of Canadian Airways flew 10,419 hours up to the end of September for a total mileage of 952,628. For September alone the company's operating report shows that the machines were in the air for 1,407 hours covering a mileage of 129,929.

Mail, freight, express and other payload cargo carried in September totalled 504,855 lbs., bringing the cumulative total for the first nine months of this year up to 2,196,360 lbs. The number of passengers carried during the nine months was 14,480, of which number 2,512 were transported in September.

Canadian Western Lumber Statement of Lumber Manufactured, Sales and Price Realized

September	1932 Feet	1933 Feet	Increase Feet
Lumber—			
Manuftd.	8,985,341	10,049,000	1,063,659
Sold	9,657,909	10,185,000	527,091
Price Rlzd.	$107,336	$152,058	$44,722
Aggregate—			
*Manuftd.	75,777,047	84,760,957	8,983,910
*Sold ...	73,162,943	88,907,075	15,744,132
*Pr. realized	$896,709	$1,134,065	$237,356

* From Jan. 1 to Sept. 30.

End is Suggested To Oil Monopoly In Newfoundland

Newfoundland Royal Commission report just published states that it would be of benefit to the community if the internal loan of $2,500,000 raised in 1932, and secured on the Petroleum Products Fund, could be paid off. Provision is made both in the Loan Act and in the agreement with Imperial Oil that the loan may be paid off at any time.

The report of the commission points out that plentiful and cheap supplies of gasoline are essential to the successful prosecution of the fishery. In return for the monopoly Imperial Oil agreed to pay to the Newfoundland Exchequer a minimum sum of $300,000 with a proviso that, if certain specified rates of royalties on actual sales in any year of petroleum products amounted to more than $300,000, such excess would be paid to the Newfoundland Exchequer. The specified rates of royalty were 8 cents per Imperial gallon on gasoline and kerosene, 15 cents per Imperial gallon on lubricating oils and 4 cents per Imperial gallon on other petroleum products.

This device was resorted to by the Newfoundland Government in the first place because it was felt that, if default in the service of the public debt was to be avoided, there was no alternative but to have recourse to such a device.

"To a large extent," says the report, "the actual grant of the monopoly merely recognized an existing state of affairs, and the expectation that Imperial Oil, Ltd., would use the concession they had obtained with fairness and moderation has not proved unfounded . . . While we have heard no complaints as to the prices charged by the company, we cannot doubt that it would be of benefit to the community if early advantage could be taken of the provision for paying the loan."

Ask Yourself These Questions—

Do you take a regular inventory of your bond holdings?

Do you keep in close touch with conditions affecting these bonds?

Do you keep informed on the trend of bond prices?

If you do not, you will find the statistical organization maintained by this firm a distinct help. Write us for investment suggestions and opinions.

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BARCLAYS BANK IMPROVES STATUS

Sir Robert Borden Refers to Advance in Number of Accounts

From Our Own Correspondent

MONTREAL.—At the annual meeting of Barclays Bank (Canada), following the usual custom, no financial statement was presented, proceedings being confined to the president's remarks and the election of directors and officers.

In the course of his remarks Sir Robert referred to the substantial advance in the number of the bank's accounts in 1933 and to increase in balances.

After the presidential address, all of the directors were re-elected. At a subsequent meeting of the directors Sir Robert Borden was elected president and Arthur B. Purvis vice-president.

Brandon Receipts Statement Shows Tax Arrears Mounting

Brandon's city treasurer, G. F. Sykes, has issued a statement of receipts and disbursements by the city for the 10 months ended October 31. Total general receipts were $1,081,513, and total general disbursements $1,273,953. Bank loan stood at $378,805, while $431,304 was paid off former bank loans during the period.

Collections of taxes totalled $432,-48, of which $107,126 was on account of arrears. The tax levy for 1933 was or $570,006. From this it appears hat a substantial increase in total tax arrears will be shown this year, s is the case with numerous municipalities

Public Utility Earnings

Brazilian Traction

	1933 $	1932 $	Increase $
October			
Gross earn.	2,487,848	2,246,216	241,622
Oper. exp.	1,117,199	987,875	129,324
Net earn.	1,370,649	1,258,351	112,298
Ten Months			
Gross earn.	23,850,015	24,937,353	*1,087,338
Net earn.	13,139,260	14,382,761	*1,243,501

* Decrease.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Consumrs' Glass	†5%	1948	Dec. 1	...

* $190,000 redemption for sinking fund.
† $25,000 purchase of bonds for sinking fund.

Brazilian October Net Shows Goodly Increase

Brazilian Traction Light & Power Co. net earnings for October at $1,370,649, compared with $1,258,351, makes the third consecutive monthly increase. Gross at $2,487,848 is an increase of $241,622 over the previous October. Changing exchange rates for the three months referred to have been responsible for a better showing when shown in Canadian dollars.

For the ten months to Oct. 31 net was $13,139,260 as compared with $14,382,761 for the same period in 1932. Gross was $23,850,015, down $1,087,338.

Bond Tenders

5 p.m., Dec. 1, Sainte Cecile of Whitton, P.Q.—$11,000, 5½ per cent bonds, dated Nov. 1, 1933, redeemable by series to 1953. Object of loan: debt consolidation. J. A. Beaudoin, sec.-treas.

BONDS.....

The average coupon rate of Dominion of Canada Bonds in 1913 was 3⅜ per cent. At today's prices, the income return on high-grade bonds is considerably above normal and greater than it has been for the past six months.

We invite your inquiries.

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IMPERIAL BANK OF CANADA

59th ANNUAL STATEMENT

Year Ending October 31st, 1933

Profit and Loss Account

Dividends to Shareholders	$ 700,000.00	Balance at credit of account Oct. 31st, 1932, brought forward	$ 544,743.51
Contribution to Officers' Guarantee Fund	7,500.00	Profits for the year ended 31st October, 1933, after deducting charges of management, auditors' fees and interest due depositors, and after making full provision for bad and doubtful debts and for rebate on bills under discount	1,204,038.70
Contribution to Officers' Pension Fund as per By-law No. 33	40,000.00		
Reserved for Contingencies	250,000.00		
Dominion Government and other Taxes, including tax paid on circulation and Reserve for Income Tax	170,000.00		
Balance of Account carried forward	581,282.21		
	$1,748,782.21		$1,748,782.21

GENERAL STATEMENT

Liabilities

Notes of the Bank in Circulation		$ 7,900,218.00
Deposits not bearing interest	$21,148,927.38	
Deposits bearing interest, including interest accrued to date of Statement	83,300,122.47	
		104,449,049.85
Advances under the Finance Act		1,590,000.00
Balances due to other Banks in Canada	$ 2.799 775.91	
Due to Banks and Banking Correspondents in the United Kingdom	8,662.50	
Due to Banks elsewhere than in Canada and the United Kingdom	814,044.78	
Letters of Credit Outstanding	1,091,531.48	
		4,794,014.67
Total Liabilities to the Public		$118,733,282.52
Capital Stock paid in	$ 7,000,000.00	
Reserve Fund Account	8,000,000.00	
Dividend No. 173 (payable 1st November, 1933) for three months at the rate of 10% per annum	175,000.00	
Unclaimed Dividends	1,536.53	
Balance of Profit and Loss Account carried forward	581,282.21	
		15,757,818.74
		$134,491,101.26

Assets

Current Coin held by the Bank	$ 492,147.79	
Dominion Government Notes	9,469,309.00	
United States and other Foreign Currencies	22,040.36	
		$ 9,983,497.15
Deposit in the Central Gold Reserve		1,400,866.66
Deposit with the Minister for the purposes of the Circulation Fund		443,419.76
Notes of other Banks		423,825.00
Cheques on other Banks		6,024,037.10
Balances due by other Banks in Canada		656,301.34
Due from Banks and Banking Correspondents in the United Kingdom		990,007.74
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom		2,444,652.32
		$ 22,366,607.07
Dominion and Provincial Government Securities not exceeding market value	$22,849,083.16	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	6,209,590.51	
Railway and other Bonds, Debentures and Stocks not exceeding market value	165,890.57	
		29,224,564.24
Loans to Provincial Governments	$ 2,878,575.88	
Loans to Cities, Towns, Municipalities and School Districts	8,540,192.46	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	5,987,721.87	
		17,406,490.21
Other Current Loans and Discounts in Canada (less rebate of interest), after making full provision for all bad and doubtful debts		57,465,120.06
Non-Current Loans, estimated loss provided for		238,361.84
Real Estate other than Bank premises		166,745.53
Mortgages on Real Estate sold by the Bank		430,230.75
Bank Premises, at not more than cost, less amounts written off		6,000,000.00
Liabilities of Customers under Letters of Credit as per contra		1,091,531.48
Other Assets not included in the foregoing		101,450.08
		$134,491,101.26

FRANK A. ROLPH, President.
A. E. PHIPPS, General Manager.

AUDITOR'S REPORT TO SHAREHOLDERS.

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at October 31st, 1933, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, C.A., of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, C.A., of Glendinning, Gray & Roberts

Toronto, November 15th, 1933.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold to—	Rate	Due	Amount	Price	Yield
Valleyfield, P.Q.	Nov.	Credit Anglo-Français	5%	20-yr. ser.	$88,500	98.25	....
Provincial—							
Nova Scotia	Nov. 16 ...	Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities, Royal Bank, Bank of Commerce, Eastern Securities	4½%	1945	$2,000,000	98.18	4.70%

Utilities and Transportation

CANAL TOLLS ON AGENDA OF COMMONS

Conservative Member to Introduce Bill in House

DEBATE LOOMS

Battle to Reverse Traditional Policy Since 1903 Seen for Next Session

From Our Own Correspondent

OTTAWA.—Regarded at Ottawa as the opening gun of a battle to reverse the traditional policy of toll-free canals, Peter McGibbon, Conservative member for Muskoka-Ontario, has placed a resolution on the order paper for the next session of Parliament.

The text of this resolution has not yet been made public but it is learned that Mr. McGibbon proposes to invite the House of Commons to reconsider the question of canal tolls and to reverse the old policy of free passage to all shipping.

Means Full Discussion

The fact that the resolution is being sponsored by a Conservative member does not necessarily mean that the Government has been consulted and is in agreement with the policy proposed. But it does mean that the broad question of canal tolls will be thoroughly discussed.

Nor would a favorable vote on the resolution bind the Government to adopt the policy. But it is understood that the Government is without profound conviction either way and if the House of Commons displays unanimity with respect to tolls, the chances are that the Government will follow the policy recommended.

Agitation Growing

The McGibbon resolution will bring to a head a campaign which has been under way for more than a year. In this time there has been a steady strengthening of opinion in some quarters that the Government should impose canal tolls where there are no treaty obligations to the contrary.

This is advocated by those who believe the public expenditures on canal communications should be self-supporting and, also, by those who believe that an increase in the transportation charges via canals would enable railways to expand their tonnage and, therefore, their revenue. In Eastern Canada, particularly, canals are the governing factor in freight rates and the imposition of tolls would enable the railways either to gain large traffic from the canals or to increase their own rates and make existing business more profitable.

On the other hand, the proposal to impose tolls is being opposed vigorously by the steamship companies who fear they will lose tonnage to the railways and, in any event, suffer by reason of higher operating costs.

Very strong opposition is believed certain to arise in the Prairie Provinces where minimum export rates to seaboard are deemed vital to the interests of producers.

Canadian Airways Secures Mail Contract

From Our Own Correspondent

MONTREAL. — Canadian Airways Ltd. has been awarded contract for flying mail during the coming winter season between Quebec and Seven Islands and thence to Matashquan with a halt at Havre, St. Pierre, when a service will be operated on a fortnightly basis to Port Menier, Anticosti Island.

In conjunction with the North Shore services, Canadian Airways has been awarded the contract for carrying mails between Charlottetown and the Magdalen Islands, in the Gulf of St. Lawrence, after the close of navigation, this service being operated in conjunction with that between Moncton and Charlottetown.

B. C. Power Earnings Advance This Year

From Our Own Correspondent

MONTREAL. — Net earnings of British Columbia Power Corp. since the beginning of the current fiscal year have been on a better scale than those reported a year ago. Gross revenue in October last amounted to $1,044,420 compared with $1,087,020 for the same month in 1932. Operating expenses were reduced by $49,533, so that net earnings for the past month totalled $341,189 or $6,933 more than in October, 1932.

For the four months of the current fiscal year ended October 31 last, gross income totalled $4,078,474. This is a drop of $181,434 as compared with the same period in 1932, but the decline in operating expenses more than offset the loss in gross revenue. Net earnings, accordingly, amounted to $1,222,530 as against $1,202,946 for the four months ended October 31, 1932.

Saint John Busier

The amount of freight handled at the Port of Saint John in October showed an increase of nearly 50 per cent over October, 1932. Imports and exports for the ten months of this year amounted to 1,030,457 tons, as compared with 877,734 tons for the corresponding period of 1932.

Nova Scotia Cold Storage Deal on Exchange Basis

From Our Own Correspondent

MONTREAL.—Halifax Harbor Commission, on authorization of the Federal Government, has taken over the plant of the Nova Scotia Public Cold Storage Terminals at Halifax. An order-in-council authorizing the deal was passed toward the end of last month. Particulars of the deal are not available, but is understood that a meeting of the bondholders will be called shortly to pass upon a proposal which will provide for the exchange of the present bonds for debentures of the Halifax Harbor commission.

Nova Scotia Cold Storage Terminals was organized in 1928. The company built a plant at Halifax comprising three units; general cold storage, apple and potato precooling and storage; and the rapid freezing and storage of fish. About $3,000,000 was put into the property, of which the Dominion Government contributed approximately 30 per cent of the cost of constructing and equipping the terminals.

Sold Bonds to Public

Public financing was carried out by Drury & Co. in the form of $1,700,000 of first mortgage bonds. The capital stock consisted of $220,000 7 per cent cumulative preferred and 50,000 shares of no par value common stock.

In November, 1931, the company failed to pay interest on its funded debt. In the spring of the following year it was intimated that negotiations were under way with a view to disposing of the plant and the bondholders were asked to name a committee of three to carry out the sale of the property. This approval was given in May, 1932.

ISLAND POWER FACES LAWSUITS FLOOD DAMAGES

Montreal Power Subsidiary Sued by Laval Council

From Our Own Correspondent

MONTREAL. — Municipality of Laval des Rapides is seeking damages of $83,663 from Montreal Island Power Co. before the Quebec Public Service Commission. The town claims damages to this amount were caused by the alleged flooding of its public buildings, including the town hall, and damaging of its filtration plant, as a result of the utility concern's raising of the water of the Rivere des Prairies through construction of a dam for development of hydro-electric power in the Back River. Failure of the company to pay these damages within six months, the municipality's brief asserted, should give the town the right to apply to the proper tribunal for demolition of the dam.

Company Denies Allegations

The company in reply denied allegations of damage suffered by the municipality as a result of its having constructed a dam on the Back River. The town hall and other buildings were unaffected by flooding; as for the filtration plant, the site was sufficiently low to have been affected and flooded by water from the river "under natural conditions, independently of any raising of the river by the dam."

The company asserted that the first complaint it had received as to the alleged flooding was in 1931, and the company's engineers conferred with those of the town, and, while not admitting any liability, but in order to avoid further dispute, offered to raise the filtration plant so as to assure its efficient operation. But the town suddenly ceased its negotiations, then resumed them, but no plan was accepted. In July, 1933, the town, through its attorney, made the following offer: that if the company would pay $50,000, the town would agree to a fixed valuation for taxation purposes of all of the company's property in Laval des Rapides for a period of 40 years, such valuation to be based on valuations to be determined by Mr. Justice Stackhouse of the Circuit Court, on appeal, by the company from excessive valuations placed on its properties, and the town agreed to accept $50,000 in full settlement of all claims for damages.

Made Offer of $20,000

The Montreal Island Power Company decided that the remedial works to the filtration plant would only cost $8,000, and in view of the fact that it intended to dispose of all of its property in the town so as to avoid excessive taxation, it held that $50,000 was too much. But to end the dispute, and without admitting liability, it offered the town $20,000. This was refused. For these reasons, it holds that claims of Laval des Rapides are unfounded, and asks that the commission dismiss them.

The commission reserved its decision.

Brandram Bondholders' Meeting Adjourned Month

From Our Own Correspondent

MONTREAL. — Bondholders of Brandram-Henderson, paint manufacturers, met in Halifax to consider the company's failure to meet its last interest payment, but the meeting was adjourned to December 15 because of lack of quorum.

A plan was submitted at the meeting calling upon the bondholders to restrict their demands for interest to the amount of income earned, and available for that purpose. The company proposes only postponement of payment and that arrears up to March 15, 1936, would be paid in installments after that date. Further the company undertakes to pay no dividends until all interest and sinking fund payments have been paid in full. It was proposed to take $30,000 now held by trustee for plant extension and apply it to the first mortgage sinking fund.

Government, Municipal, Public Utility and Industrial Bonds

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List of current offerings furnished on request

NESBITT, THOMSON and Company Limited

355 St. James Street, Montreal

Branches in all Principal cities of Canada

119

Canada Creosoting Will Build New Unit

From Our Own Correspondent

MONTREAL. — Assurance that a pressure creosoting plant will be erected in Prince Albert, Sask., has been given by Hon. J. F. Bryant, Provincial Minister of Public Works. The plant will cost approximately $1,000,000. It will give employment to a large number of men and will be built by the Canada Creosoting Co., as soon as conditions permit.

Canada Creosoting is an almost wholly-owned subsidiary of Dominion Tar and Chemical Co. It has been in operation for a number of years and at present owns and operates creosoting plants at Sydney, Truro, Newcastle, Montreal, Trenton, Sudbury, Winnipeg and Edmonton.

PROPERTY BOARD OPPOSES POWER MUNICIPALIZATION

Montreal Real Estate Body Adverse to Public Ownership

From Our Own Correspondent

MONTREAL.—Montreal Board of Trade's associated organization—the Real Estate Board is not in favor of municipalization of electricity in the Montreal area as such a step would involve a considerable capital expenditure and "would inevitably result in an enormous increase in the annual assessment charges on real estate, and consequent reduction in its value."

A committee of six realtors was appointed by the Real Estate Board to study the question of public ownership of electric services in the province and metropolis. Following their investigation a resolution was drawn up and accepted by the board to the effect that municipalization was unsound.

After pointing out the possible effect on Montreal's finances by the adoption of municipalization programme, the resolution goes on to show the experience of various municipalities in Canada and the United States with their own electric systems. This part of the resolution reads as follows:

"Whereas municipally owned plants are almost invariably more costly than those privately-owned and operated, as is evidenced by the fact that in recent years the following twenty-six municipalities in the province have abandoned the electric services and turned them over to private companies: City of St. Lambert, City of Verdun, City of Lachine, City of Granby, Town of Drummondville, Town of Farnham, Town of St. Jerome, Town of Iberville, Town of Marieville, Town of Bromptonville, Town of Baie d'Urfe, Town of Beaconsfield, Town of Pointe Claire, Town of Greenfield Park, Town of Danville, Village of Neuville, Village of Sutton, Village of Upton, Village of Hudson, Village of Senneville, Village of St. Gabriel de Brandon, Village of St. Ferdinand d'Halifax, Parish of Riviere des Prairies, St. Vincent de Paul, MacKayville, Cote de Liesse.

"Whereas the United States has had a similar experience with municipal ownership, there being only 850 municipally owned plants in operation today out of the 2,820 operating in 1930, a reduction probably explained by the fact, as shown by the United States census, that municipal plants use over three times as much fuel and labor to produce a unit of electricity as do privately-owned installations, the reason no doubt being, as stated by the late W. H. Taft, ex-President, that the introduction of politics always increases the cost of operation and leads to unwise municipal management."

HALIFAX TRAFFIC REGISTERS ADVANCE

Number of Vessels Clearing Port and Tonnage Ahead of 1932

From Our Own Correspondent

MONTREAL.—Marked improvement in the volume of traffic at the Port of Halifax is reported by the commission. Last month 646 vessels entered and cleared the port compared with 545 for October, 1932, and 601 for October, 1931. Net registered tonnage is reported at 769,083 compared with 557,172 and 627,413 in October, 1932 and 1931, respectively. The increase in trans-oceanic service has been particularly marked, 200 vessels having entered and cleared during October last as compared with 153 for the same month a year ago.

Since the beginning of the current year the number of vessels arriving and departing at Halifax is reported at 4,824. This compares with 4,682 for the same period of 1932 and 4,886 for the first ten months of 1931.

Total cargo tonnage handled inward and outward during October, 1933, is reported at 203,515 tons as against 84,407 tons for October, 1932, and 113,141 tons for the same month in 1931.

For the first ten months of the current year cargo tonnage handled through the port of Halifax was 1,393,852 tons compared with 1,243,856 tons for 1932 and 1,311,361 tons for 1931.

CANADIAN CAR REPORTS DEFICIT FOR PAST YEAR

Good Liquid Position, But Working Capital Lower

From Our Own Correspondent

MONTREAL.—Loss on operations and a material decline in liquid position, though the latter is still relatively strong, are features of Canadian Car and Foundry Co.'s report for the fiscal year ended September 30 last.

The railway companies were not in the market for new equipment last year while the volume of other business accruing to the company from other sources was especially small. Operations, therefore, showed a loss of $973,428 which was reduced by $120,122 as a result of income from investments. In the previous year there was a loss on operations of $913,196 and an income from investments of $183,156.

Chalk Up Deficit

The income account for 1933 shows a deficit before common dividends of $1,351,591. This compares with a deficit of $1,255,037 in the previous year. Comparative income accounts for the past three years follow:

	1932-33	1931-32	1930-31
	$	$	$
Profits ...	*973,428	†913,196	‡896,765
Int. earn...	120,122	183,156	164,646
Total inc. .	§853,306	§730,037	1,061,432
Deprec. ...	......	......	250,000
Balance ...	■853,306	■730,037	811,432
Taxes, etc..	......	......	50,000
Balance ...	■853,306	■730,037	761,432
Pfd. div. ..	498,285	525,000	525,000
Balance ...	■1,351,591	■1,255,037	236,430
Com. div. .	......	362,142	640,150
Balance ...	■1,351,591	■1,617,179	■403,718
Prev. bal. .	4,437,868	6,055,047	6,458,765
P. & L. ...	3,086,276	4,437,868	6,055,047

*Combined net loss from operations for fiscal year, before providing for depreciation, (provision for which has been made out of other free reserves).

†Combined net loss on operations after taking credit for reserves not required but before providing for depreciation.

‡After transferring $250,000 from inventory reserve not now required.

§Net loss.

■Deficit.

WORKING CAPITAL

	1933	1932	1931
	$	$	$
Cur. assets.	3,616,198	5,221,368	7,338,806
Cur. liabs...	389,271	517,929	793,389
Work. cap..	3,226,927	4,703,439	6,545,417

Hold Fewer Bonds

The decline in working capital of nearly $1,500,000 is reflected in the balance sheet. Assets are down in value from $30,496,420 at September 30, 1932, to $28,888,027 on the same date this year.

Property account remains much the same at $25,139,179. Inventory values have declined from $1,585,794 to $1,326,634. Accounts receivable are lower by about $70,000 at $371,948.

Holdings of government bonds have declined during the year from $2,399,155 to $1,210,197. Miscellaneous investments are off from $644,775 to $599,775, while cash on hand is reduced $47,000 to $102,369.

Other items among assets show little change.

Reduce Prefered Stock

Principal change among liabilities is a reduction in outstanding preferred stock from $7,233,625 to $7,080,750. No change has taken place in the issued common stock.

A premium of $475,775 on share redeemed has been transferred to the depreciation reserve which now stands at $8,840,229. Current liabilities are lowered.

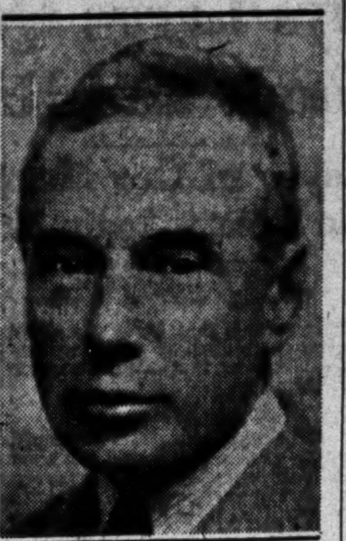
Comment on Operations

In his report to the shareholders the president, W. W. Butler, had the following to say in part:

"On account of many valuable exclusive contracts for equipment accessories which your company enjoys, it is necessary to maintain your plants in a condition to accept any business which is offered. Despite rigid economies, the volume of business has not been sufficient to permit of a net profit on the entire operations of your companies. However the continuance of operations, even on such a reduced scale, enables the preservation of a nucleus of an organization which will be available to obtain the maximum benefit from the business which must eventually come to us.

"The operations of the Canadian General Transit Co., in which your company holds a controlling interest have been maintained on a profitable basis throughout the year."

New Director



J. G. DODD

Sales manager of Dominion Textile Company, Limited, who has just been elected a director of the company.

Public Utility Earnings

Winnipeg Electric

September:	1933	1932	Decrease
	$	$	$
Gross earn. ..	396,911	429,652	32,761
Oper. exps. ..	281,468	307,448	25,980
Net earn.	115,443	122,224	6,781
Nine months ended September 30:			
Gross earn. ..	3,813,227	4,166,457	353,230
Oper. exps. ..	2,728,046	2,948,601	220,555
Net earn.	1,085,181	1,217,856	132,675

Manitoba Power

September:	1933	1932	Decrease
	$	$	$
Gross earn. ..	103,213	105,874	2,661
Oper. exps. ..	24,777	27,069	2,292
Net earn.	78,436	78,805	369
Nine months ended September 30:			
Gross earn. ..	924,204	1,012,264	88,060
Oper. exps. ..	205,845	234,052	28,207
Net earn.	718,359	778,212	59,853

B. C. Power

	1933	1932	Decrease
October	$	$	$
Gr. earn. ...	1,044,420	1,087,020	42,600
Oper. exp. ..	703,231	752,764	49,533
Net earn. ...	341,189	334,256	†6,933
Four Months End. Oct. 31:			
Gr. earn. ...	4,078,473	4,259,908	181,435
Oper. exp. ..	2,855,944	3,056,962	201,018
Net earn. ..	1,222,529	1,202,946	†19,583

†Increase.

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Southern Canada Power Earnings Off in October

From Our Own Correspondent

MONTREAL. — Southern Canada Power reports gross earnings during October, 1933, the first month of the current fiscal year, of $179,894. This represents a decrease of $6,458 compared with that reported in October, 1932. Offsetting this decrease, operating expenses were reduced by $1,250, leaving net earnings for the past month of $114,070. This was $7,708 less than in the same month last year.

Coast Lumbering Improves

Enquiry in local lumber circles reveals that the industry in British Columbia is in a better position, in practically all important foreign markets than it was a year ago. Oriental buying has picked up to a marked extent and the demand from England has been exceptionally good. Formerly this demand was only for fir but now it has extended to hemlock and white pine, two cars of the latter having recently gone forward.

ABITIBI POWER RETURNS LIMITS TO DONAHUE BROS.

From Our Own Correspondent

MONTREAL.—Reported but officially unconfirmed sale of groundwood pulp mill of Murray Bay Paper Co. for a cash consideration of $46,000 to Donahue Bros. is believed here to represent really a return of the mill to Donahue Bros. It is recalled that in 1926 Murray Bay Pulp Co., predecessor of Murray Bay Paper Co., made a contract with Donahue Bros., Ltd., leasing a groundwood pulp mill and timber limits for 20 years at an annual rental payment with other charges required to be met of upward of $150,000. This contract was later guaranteed by Abitibi Power & Paper Co., and it was understood when Abitibi took over Murray Bay Paper Co. that, in the event of default in the carrying out of the terms of the contract, a claim could be made on Abitibi Power & Paper Co.

Abitibi Glad to Sell

Murray Bay Paper Company's lease on timber limits adjoining its mill are estimated to contain 2,300,000 cords of pulpwood. The company's power was purchased under contract from Quebec Power Co. at a cost of $98,400 for power and $22,697 per annum in connection with the construction of the power line. Abitibi has never operated the Murray Bay mill and the position of these various obligations of Abitibi under the merger have been in doubt while the company is in receivership and operating as well under an order in bankruptcy.

G. T. Clarkson, receiver, in his report last spring as to the assets of Abitibi Power & Paper Co. as of September 10, 1932, the time of taking over by the receiver, stated that "question will arise as to the advisability of carrying the Murray Bay paper mill—which has never been operated—at an annual cost of $323,000, or in the alternative of surrendering certain leases attached to it and either boarding up the property or selling it, to get rid of expense."

Apparently, if contract with Donahue Bros. is abrogated and groundwood mill and limits returned to Donahue Bros. for a suitable consideration, the company may follow the rest of the possible programme outlined by the receiver of keeping the property boarded up unless or until a purchaser comes. Abitibi Power no longer needs or wants the property.

Public Utility Earnings

Southern Canada Power

October:	1933	1932	Decrease
	$	$	$
Gross	179,894	186,352	6,458
Exp.	65,824	64,574	*1,250
Net	114,070	121,778	7,708

*Increase.

Nova Scotia

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Province of Nova Scotia
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NEW APPOINTMENTS IN TRADE SERVICE

D. H. Ross Retires; G. R. Stevens Appointed Commissioner at Melbourne

Retirement of Canada's senior trade commissioner, Donald H. Ross, has been announced by the Department of Trade and Commerce at Ottawa.

Mr. Ross, who is 69 years of age, is retiring on having passed the non-enforced age limit of 65. A Nova Scotian, he has spent his entire 30 years in the government service as trade commissioner at Melbourne, Australia.

Born in Englishton, N.S., he was in business in the Maritimes for 18 years before he opened Canada's trade office in Melbourne in 1903. Although his wife is an Australian, he proposes now to return to Canada to live.

G. R. Heastman, Canadian trade commissioner to Netherlands and East Indies, has been transferred to Cape Town, South Africa. Mr. Heastman will succeed G. R. Stevens, who is taking over the duties of Canadian Trade Commissioner at Melbourne, in succession to Mr. Ross.

The duties of trade commissioner to Netherlands and East Indies are being performed by Assistant Trade Commissioner, B. C. Butler.

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The sworn statement of circulation for the six months ending June 30, 1933, shows an average of 5,392 copies mailed to Empire and foreign countries per issue.

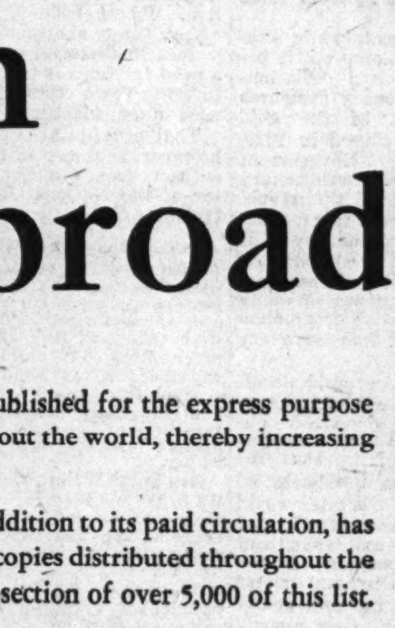
CANADIAN TRADE ABROAD performs a four-fold function:

INSTITUTIONAL MEDIUM.—In this age of propaganda "Canadian Trade Abroad" keeps Canada to the forefront in international trade and impresses the world with the magnitude and versatility of Canadian industry, thus supplying a background for constructive export sales organization.

CONSUMER MEDIUM.—The paper is creating a demand for Canadian brands of goods among its readers.

DEALER MEDIUM.—The paper conveys information regarding overseas branch factories and distributors of Canadian manufacturers.

DISTRIBUTOR MEDIUM.—The "Buyers' Guide" and the "Distributors Wanted Section" in the paper are effective in developing business between export distributors and advertisers.



J. K. ROSS-DUGGAN, Editor

Circulation lists have been very carefully compiled and checked with the co-operation of the following: The Department of Trade and Commerce, Canadian Government trade commissioners abroad, foreign branches of Canadian banks, prominent Canadian exporters, the trade commissioners of the United Kingdom, Australia, New Zealand, South Africa and British West Indies resident in Canada and through personal visits of the editor abroad.

Write for complete information and sample copies.

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News of Investment Markets

U. K. URGED TO GUARANTEE NFL'D BONDS

Exchange for 30-Year Debentures is Suggested

NEED SUBSIDY

Even 3 Per Cent Coupon Not Low Enough to Balance Colony's Budget, Says Report

Reduction in interest charges of the Newfoundland public debt is deemed "an essential corollary" to political and economic reorganization of the country in the view of the Amulree Royal Commission, whose report was made public this week.

The plan suggested is that the United Kingdom "assume general responsibility for the finances of the Island" and more particularly "make such arrangements as may be deemed just and practicable with a view to securing a reduction in the present burden of public debt."

Three Proposals Suggested

Specifically the Commission outlines three alternate possibilities and expresses its own preference for one of these in particular. It feels, however, that it should not complicate the issue by making detailed recommendations of this nature, but should leave the British Government "complete freedom of action as to the manner in which debt reduction should be effected."

Suggest U. K. Guarantee

The proposal for debt reduction, preferred by the Commission, suggests that the present debt be exchanged for 30-year bonds bearing a substantially lower rate of interest, but guaranteed by the British Government. Even if the new bonds bore a 3 per cent coupon, it was pointed out that a grant-in-aid from United Kingdom would be necessary to balance the budget. The proposal in details follows:

"It was suggested that the bondholders might be invited to exchange their existing bonds for new bonds running for 30 years and bearing interest at a rate substantially lower than those now in force, such bonds to be guaranteed by Your Majesty's Government in the United Kingdom. It was contemplated by those making these suggestions that a sinking fund of 1 per cent would be established as soon as conditions permitted.

"The saving of the Newfoundland Government under this arrangement would of course depend on the new rate chosen; if this were 3 per cent, it would be approximately $2,000,000 per annum less provision for sinking fund. Such a saving would not be sufficient to liquidate the present deficit on the Island's budget (estimated at $3,300,000) and it was suggested that, until such time as the budget could be balanced, a grant-in-aid might be provided annually from the United Kingdom Exchequer."

Alternate Proposals

Alternate proposals included a plan whereby the British Government assume responsibility for the debt incurred by Newfoundland during the war. This amounts roughly to $13,000,000, with interest charges of approximately $675,000 per annum. Since these charges have been met by fresh borrowing, a further $13,000,000 has been added to the debt of the Island in this way. The second suggestion was that the Newfoundland Government take steps to convert loan obligations to a lower rate of interest as they mature—an operation which would be spread over 25 years—and in the meantime, the United Kingdom should make an annual subsidy to Newfoundland, sufficient to balance its budget after payment of debt interest.

The seriousness of the Newfoundland debt situation is indicated by figures in the report which show that for 12 years current expenditures have exceeded current revenue and in addition fresh expenditure on capital account has been annually undertaken. Loans were raised in each of the 12 years, 1920-21 to 1931-32.

At the beginning of that period the gross public debt was $43,032,785, including two loans of $12,943,400 raised for war purposes; on July 30, 1932, it was $97,638,772. It now stands at a little under $101,000,000 or almost $400 per capita "for a population of low earning power, composed mainly of fishermen on the border-line of subsistence."

Payments for interest, including provision for exchange fluctuation, amount approximately to $5,200,000 per annum or 56 per cent of the average annual revenue of the country for the 12 years 1920-21 to 1931-32 ($9,250,000) and 65 per cent of the revenue for the last two years ($8,000,000).

"The situation today is that, as a result of the extravagance of the post-war period, a debt has been incurred which is out of all proportion to the country's capacity, and we cannot avoid the conclusion that, given this scale of indebtedness, there is no prospect of the island being able to pay its way, even under normal trade conditions."

Bond Sales

Nova Scotia

Province of Nova Scotia has sold $2,000,000 of 4½ per cent bonds, due 1945, to a syndicate headed by Wood, Gundy & Co. at 96.88. The cost basis to the province is 4.84 per cent. An option was granted to the syndicate on an additional $3,000,000 of bonds at the same price. Bids were:

Wood, Gundy & Co., A. E. Ames & Co., Dom. Secs. Corp., Royal Bk., Can. Bk. of Comm., Eastern Secs.	96.88
Bk. of Montreal, Bk. of N. S., Royal Secs., McLeod, Young, Weir & Co., Fry, Mills, Spence & Co., Bell, Gouinlock & Co., Hanson Bros., McTaggart, Hannaford, Birks; Harrison & Co., N. S. Bond Corp.	96.41

To Meet Taxes Queen's Plaza Up at Tax Sale

Queen's Park Plaza, apartment hotel at the corner of Avenue Road and Bloor St., Toronto, has been advertised for sale for tax arrears owing to the city, in the Ontario Gazette. According to the advertisement the property is to be offered for sale on Feb. 14, 1934.

A portion of the $28,257 owing to the city for taxes and costs is expected to be raised before the sale date, The Financial Post is informed. This would keep the property off tax sale lists.

Negotiations are still proceeding, it is understood, toward financing the building to completion or sale of the property. In either event bondholders will have to make substantial sacrifices in any reorganization, it is claimed. Earlier this year city by-laws were amended so that interior construction might be altered on the first three floors of the building. At the time it was thought that this might help a sale or financing of the building's completion. So far, however, no definite arrangement for money has been made.

SHARP DECLINE STRIKES BONDS ON U. S. SALES

Americans Take Profits on Rise of Canadian Dollar

A sharp slump was recorded in Canadian bond markets in the week ended Nov. 21 largely due to sales and offerings of Canadian bonds from American sources. The rise of the Canadian dollar well above par brought profit-taking from Americans who had purchased high-grade Canadian bonds at large discounts, when the Canadian dollar was at a substantial discount.

Government bonds were sharply depressed. As a result The Financial Post's average yield figure on seven high-grades rose to the levels of early May. The entire advance of the summer and early autumn was wiped out. Considerable confusion in trading occurred because of exchange fluctuations and the volume of American offerings. The result was that spreads between bid and asked prices widened, but volume was comparatively small as our market continued to back away from the offerings.

The decline in high-grades is illustrated by the sharp rise of yields:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
Nov. 21	4.641	Nov. 15	4.441
Nov. 20	4.623	Nov. 14	4.410
Nov. 18	4.544	Nov. 13	4.390
Nov. 17	4.524	Oct. 31	4.420
Nov. 16	4.496	Sept. 30	4.459

Western Provincials

Western provincials were hard hit. Losses of from two to four points were recorded for active issues. The following table shows how both Canadian-payment and U. S.-payment issues felt the pressure:

Declines in Bid Prices for Western Provincial Bonds

Issue:	Bid Nov.21	Bid Nov. 14	Decline Points
*Alberta 4½'s '56	85	87½	2½
Alberta 6's '47	99	102¾	3¾
*Br. Col. 4½'s '53	85	87½	2½
Br. Col. 6's '47	97	101¼	4¼
*Manitoba 5's '59	89	92	3
Manitoba 6's '47	99	101	2
*Saskatch. 5's '59	88	89¾	1¾
Saskatch. 6's '52	98	100	2

The rise of the Canadian dollar, of course, has made the Canadian prices more attractive to Americans than when our prices were about the same, but with our dollar at a discount. Fear that such a situation might develop was expressed as a dealer's opinion on this page several weeks ago.

Exchange Position

While American buying into our securities is considered one of the chief factors in the rise of the Canadian dollar, it is thought by some observers that our money might have risen substantially higher, if this profit-taking had not developed.

Corporation bonds also inclined to weakness. Declines were most pronounced among public utility liens, some of which are rated among the best corporation issues in Canada. Notable among the declines was a drop of 3½ points in the bid price for Bell Telephone 5's of 1955 and 1957, to 100½. Montreal Power 5's of 1951 were down 5½ points to 101, and Montreal Tramways 5's of 1955 lost the same amount to 69. Gatineau 5's of 1956, one of the most active issues in the international trading, were off five points to 75. Duke-Price 6's of 1966 lost 6½ points to 68, and Quebec Power 5's of 1968 were down four points to 88. Manitoba Power 5½'s of 1951, which had been making sharp gains in the two preceding weeks, dropped seven points

New Issues Offered

The issue of $1,250,000 National Grocers 6's of 1948, which were recently offered at 96, to yield 6.42 per cent, were reported fully sold, at the end of last week. Had the sale come a few days earlier, the issue would have found the market less receptive. This is shown by the relative sluggishness of the new issue of Nova Scotia 4½'s of 1945, which were offered just as the National Grocers marketing was being concluded. The yield of 4.70 offered on the Nova Scotia's was in line with market prices of two weeks ago, but is now slightly below what similar issues yield at open market prices.

The Nova Scotia bonds were bought in an amount of $2,000,000 at 96.88 by a syndicate headed by Wood, Gundy & Co. The province gave the syndicate an option on an additional $3,000,000 of bonds at the same price, but in view of the slump in the market dealers are doubtful whether this option will be exercised.

ALBERTA DEFICIT FIRST SIX MONTHS $364,624 HIGHER

Disbursements $205,837 Lower But Receipts Down $570,461

Despite a reduction in disbursements of $205,837, Alberta's deficit for the six months ended Sept. 30 was $364,624 higher than for the same period of 1932, according to the second quarterly statement of receipts and disbursements recently released by Hon. R. G. Reid, provincial treasurer.

Total disbursements were $8,740,584 for the six months, down $205,837 from 1932, while total receipts were $7,986,644, down $570,461. The deficit for the period was, therefore, $754,039, compared with $389,415 for the same 1932 period.

The budget was drawn up on expectations of reductions of $1,210,000 in expenditures for the 1933-34 year. The receipts and disbursements statement for the six months does not indicate that this has been achieved. It was also estimated that income would be down $1,349,000 for the year, and the six months statement indicates that this has been more nearly experienced. These comparisons, however, may not be accurate for the whole fiscal year.

Deficit Indicated

Mr. Reid warns against viewing the statement as indicative of the results for the entire year because of the seasonal nature of some items of income and expenditure. However, it appears from the statement that there is likely to be difficulty in achieving the surplus of $9,700 anticipated in the budget estimates. Providing that comparison with the same period of 1932 is a fair one, the statement indicates that a deficit equal to, or even exceeding the $2,100,000 shortage in 1932-33, may be recorded.

The cut of $205,837 in disbursements is due largely to reductions by seven departments. Public works outlays were down $329,008, and agriculture payments, $145,809. Also lands and mines, public health, municipal affairs, legislation and provincial secretary's departments disbursed less. Increased expenditures were recorded for education, up $165,697; treasury, up $64,639; attorney-general's department, executive council and others.

Tax Revenues Down

Revenue from gasoline taxes showed an increase of $172,299, due to increase of tax from five to six cents a gallon. Other taxes, however, yielded lower revenues. Succession duties show a decrease of $213,385. The income tax receipts are down $54,870. Liquor profits dropped from $658,534 to $547,790. Chiefly because of increased fees, automobile licenses were up $25,688.

In capital account, $5,000,000 was received from railways on account of amounts due. Debenture issues falling due June 1 and Nov. 1 have been met successfully. American dollar exchange cost $409,576, which may be relieved by the recent advance of the Canadian dollar. The public debt decreased $2,680,498, as a result of debenture redemption.

Calgary Bonds Redeemed When Canadian Dollar Rose

Calgary debentures, which the city refused to pay in United States funds earlier this year, have been redeemed in substantial volume since the Canadian dollar went above par in New York. Mayor Andrew Davison recently announced that all but $973,000 of a $2,500,000 issue, which matured Jan. 1, 1933, had been redeemed. Some $114,000 of bonds were turned in when the Canadian dollar crossed par.

Of the bonds remaining outstanding, $761,000 are understood to be held by The Royal Bank of Canada. There are also some bonds still held in the United States. The Malden Trust Co. of Malden, Mass., has been in the process of taking court action against the city for premium on American funds which should have been paid on Jan. 1, but the case has not come to trial.

Walkerville Brewery Stock Listed in Montreal

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announces the listing of 342,194 shares of no par value common stock of Walkerville Brewery Ltd., with authority to add a further 32,806 shares on official notice of issuance.

Walkerville Brewery was founded by the Hiram Walker family in 1885 and the company was privately owned until distribution of some of the capital stock was made by public offering early this year. The stock was sold at $3.25 per share.

The capital stock of the company consists of 400,000 shares of no par value, of which there are 375,000 outstanding. There are no bonds or preferred stock.

The company's plant located at Walkerville, Ont., next door to the distillery which also bears the Walker name, has an annual capacity of 135,000 barrels, the equivalent of 1,750,000 cases.

Directors of the company are: Herman Radner, president; Charles W. Isaacs, C. P. McTague, K.C., John I. McHale, and E. Thistle.

Shawinigan Power Co. Makes Executive Changes

From Our Own Correspondent

MONTREAL.—At a meeting of the directors of Shawinigan Water and Power Co., J. E. Aldred, president, announced his resignation as head of the company. He is succeeded by Julian C. Smith, who has been acting as vice-president and managing director. Mr. Aldred, however, retains an active interest in the company through acceptance of the office of chairman of the board of directors.

Bruck Silk Mills Elects Two Directors

From Our Own Correspondent

MONTREAL.—W. R. G. Holt, of Montreal, and Wallace B. Phillips, of London, Eng., have been elected to the board of directors of Bruck Silk Mills.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold to—	Rate	Due	Amount	Price	Yield
Valleyfield, P.Q.	Nov.	Credit Anglo-Français	5%	20-yr. ser.	$88,500	98.25	....
Provincial—							
Nova Scotia	Nov. 16 ...	Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities, Royal Bank, Bank of Commerce, Eastern Securities	4½%	1945	$2,000,000	98.18	4.70%

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 19	Pulp and paper 8	Milling 5	Oils 4	Textiles and clothing 9	Food and allied products 19	Beverages 8	Total industrials 93	Total utilities 19	Total co's.** 118
1929-32:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	201.4	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1933:										
January ..	49.5	3.3	41.1	93.6	36.8	82.9	34.0	59.6	44.6	50.8
February ..	44.4	3.6	39.7	86.5	33.6	80.2	31.6	56.3	38.6	46.6
March	44.8	2.3	37.8	86.7	32.2	78.6	36.0	57.3	38.2	46.6
April	48.6	2.7	44.3	98.1	31.2	85.3	37.8	67.5	38.5	52.0
May	65.5	3.8	60.9	122.4	45.7	105.1	63.2	85.8	47.2	64.7
June	83.0	6.4	70.3	141.8	55.2	118.2	106.4	103.6	53.8	76.1
July	98.1	8.4	79.1	156.6	60.0	139.1	164.3	118.3	58.5	85.0
August	91.2	7.6	76.4	147.6	59.1	126.8	152.1	113.3	53.9	80.3
September .	84.8	7.3	73.0	150.4	61.6	121.0	159.4	115.1	50.7	80.2
October ...	72.4	6.0	70.8	128.7	58.2	111.5	127.5	100.1	45.9	71.5
Weekly Figures:										
Nov. 2	66.0	.6	61.6	119.3	44.4	99.7	124.6	89.2	39.4	64.5
Nov. 9	67.8	.6	61.6	129.9	44.3	101.6	131.5	94.5	39.6	67.2
Nov. 16 ...	67.0	.6	60.9	139.2	44.7	102.9	124.7	97.4	39.3	68.2

*High and low of 1929 and 1932 are based on weekly figures. In 1933 index numbers are given monthly for the first ten months and then weekly. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Good Salmon Pack Reported

BRITISH COLUMBIA salmon pack as at November 4 compared with that of the last four years at the nearest corresponding date, was as follows: 1933, 1,235,480 cases; 1932, 1,046,166 cases; 1931, 664,387 cases; 1930, 2,154,337 cases; 1929, 1,322,170 cases.

Carry-over stocks are well cleared up, marketing conditions much better this year than formerly and it is expected that the 1933 pack will be disposed of before the 1934 fishing season opens. The higher prices paid fishermen for sockeye, however, will prevent B. C. Packers making the expected profit.

* * *

Geo. Weston Ltd.

COMMON stock of George Weston Ltd. is again selling at over $50 per share after selling down to $44 during the past month. The action in this stock is taken in some quarters as an indication of developments going on within the company that have not as yet been announced. In the present year shareholders have authorized an increase in capital; the stock of the subsidiary in the United States has been acquired by the parent company through an exchange of shares; control of a firm of biscuit makers in Scotland was purchased.

Earnings of the parent company in the current year will be larger than the $1.09 earned on common shares in 1932 it is understood. It is also rumored that connection has been made with strong interests in the United States and that the U. S. subsidiary will extend its activities from coast to coast. Since early last June the market on the common stock has been more than usually active and at present prices the stock is not selling very far from the high point for the year of 59½ which was reached in mid-September.

* * *

Provincial Paper

EARNINGS of Provincial Paper, Ltd., in recent months are reported as being larger than in the same months of 1932 although the improvement is not sufficient as yet to offset decline in earnings in the first half of the current year. As a result, the company has not quite earned preferred dividend requirements to date. The company has a good liquid position and continued payment of preferred dividends is not in doubt at the present time. This stock is not listed and with only 35,000 shares outstanding there is seldom an active market for it. The current bid is $65 per share with no stock offered.

ALLEGE ONTARIO SLOW IN MEETING BOND GUARANTEES

Province Urged to Pay Promptly When Debtor Asks Aid

Considerable dissatisfaction is reported from some investors regarding the province of Ontario's manner of meeting its guarantees on some municipal bonds. There have been extended delays in some cases before the province has provided the funds to meet interest when the issuing authority has not done so.

In one case, which was largely cleared up earlier this year, the province is understood to have delayed nearly six months before paying the coupons. This was the case of the township of Calvert, Ont., and holders of some of the bonds are understood to have felt, as a result, that provincial guarantees are not always what they should be.

I. B. A. Asked Action

The Investment Bankers' Association of Canada is understood to have pressed the province for earlier action in the case of Calvert township and some other cases. The answer of the provinces is reported to be that it would not be good policy for the guarantor to be too quick to supply funds. The province is alleged to contend that an investigation is necessary before it is wise for it to come to the aid of a debtor.

It has been pointed out to the province, it is understood, that it is bad for its credit, if guarantees are not met promptly when the issuer of the bonds cannot make payment. The I. B. A. is believed to have argued that it would be better for provincial credit and for investors if the province were to supply the necessary funds first and make its investigation afterward.

Name Border Relief Board to Handle Provincial Funds

Col. E. S. Wigle, K.C., Alfred Moreton and J. S. Schofield are the three members of the Border Cities Relief Board recently appointed by the province of Ontario. Since the province has taken over the entire relief burden in the defaulting border municipalities, it is taking charge of distribution of funds.

Walkerville has not been granted the right to have its entire relief costs borne by the province. If the town defaults on Dec. 14, when principal of debentures is due, and requests a supervisory board, it is expected that it too will have its relief costs taken over by the province and administered by the newly appointed board.

Canadian Airways Pass 10,000-Hour Mark

From Our Own Correspondent

MONTREAL.—Machines of Canadian Airways flew 10,419 hours up to the end of September for a total mileage of 952,628. For September alone the company's operating report shows that the machines were in the air for 1,407 hours covering a mileage of 129,929.

Mail, freight, express and other payload cargo carried in September totalled 504,855 lbs., bringing the cumulative total for the first nine months of this year up to 2,196,360 lbs. The number of passengers carried during the nine months was 14,480, of which number 2,512 were transported in September.

Canadian Western Lumber Statement of Lumber Manufactured, Sales and Price Realized

September	1932 Feet	1933 Feet	Increase Feet
Lumber—			
Manuftd.	8,985,341	10,049,000	1,063,659
Sold	9,657,909	10,185,000	527,091
Price Rlzd.	$107,336	$152,058	$44,722
Aggregate—			
*Manuftd.	75,777,047	84,760,957	8,983,910
*Sold ...	73,162,943	88,907,075	15,744,132
*Pr. realized	$896,709	$1,134,065	$237,356

* From Jan. 1 to Sept. 30.

End is Suggested To Oil Monopoly In Newfoundland

Newfoundland Royal Commission report just published states that it would be of benefit to the community if the internal loan of $2,500,000 raised in 1932, and secured on the Petroleum Products Fund, could be paid off. Provision is made both in the Loan Act and in the agreement with Imperial Oil that the loan may be paid off at any time.

The report of the commission points out that plentiful and cheap supplies of gasoline are essential to the successful prosecution of the fishery. In return for the monopoly Imperial Oil agreed to pay to the Newfoundland Exchequer a minimum sum of $300,000 with a proviso that, if certain specified rates of royalties on actual sales in any year of petroleum products amounted to more than $300,000, such excess would be paid to the Newfoundland Exchequer. The specified rates of royalty were 8 cents per Imperial gallon on gasoline and kerosene, 15 cents per Imperial gallon on lubricating oils and 4 cents per Imperial gallon on other petroleum products.

This device was resorted to by the Newfoundland Government in the first place because it was felt that, if default in the service of the public debt was to be avoided, there was no alternative but to have recourse to such a device.

"To a large extent," says the report, "the actual grant of the monopoly merely recognized an existing state of affairs, and the expectation that Imperial Oil, Ltd., would use the concession they had obtained with fairness and moderation has not proved unfounded . . . While we have heard no complaints as to the prices charged by the company, we cannot doubt that it would be of benefit to the community if early advantage could be taken of the provision for paying the loan."

Ask Yourself These Questions—

Do you take a regular inventory of your bond holdings?

Do you keep in close touch with conditions affecting these bonds?

Do you keep informed on the trend of bond prices?

If you do not, you will find the statistical organization maintained by this firm a distinct help. Write us for investment suggestions and opinions.

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BARCLAYS BANK IMPROVES STATUS

Sir Robert Borden Refers to Advance in Number of Accounts

From Our Own Correspondent

MONTREAL.—At the annual meeting of Barclays Bank (Canada), following the usual custom, no financial statement was presented, proceedings being confined to the president's remarks and the election of directors and officers.

In the course of his remarks Sir Robert referred to the substantial advance in the number of the bank's accounts in 1933 and to increase in balances.

After the presidential address, all of the directors were re-elected. At a subsequent meeting of the directors Sir Robert Borden was elected president and Arthur B. Purvis vice-president.

Brandon Receipts Statement Shows Tax Arrears Mounting

Brandon's city treasurer, G. F. Sykes, has issued a statement of receipts and disbursements by the city for the 10 months ended October 31. Total general receipts were $1,031,513, and total general disbursements $1,273,953. Bank loan stood at $378,805, while $431,304 was paid off former bank loans during the period.

Collections of taxes totalled $432,[illegible]18, of which $107,126 was on account of arrears. The tax levy for 1933 was for $570,006. From this it appears that a substantial increase in total tax arrears will be shown this year, as is the case with numerous municipalities

Public Utility Earnings

Brazilian Traction

	1933 $	1932 $	Increase $
October			
Gross earn.	2,487,848	2,246,226	241,622
Oper. exp.	1,117,199	987,875	129,324
Net earn.	1,370,649	1,258,351	112,298
Ten Months			
Gross earn.	23,850,015	24,937,353	*1,087,338
Net earn.	13,139,260	14,382,761	*1,243,501

* Decrease.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Consumrs' Glass	†5%	1948	Dec. 1	...

* $190,000 redemption for sinking fund.
† $25,000 purchase of bonds for sinking fund.

Brazilian October Net Shows Goodly Increase

Brazilian Traction Light & Power Co. net earnings for October at $1,370,649, compared with $1,258,351, makes the third consecutive monthly increase. Gross at $2,487,848 is an increase of $241,622 over the previous October. Changing exchange rates for the three months referred to have been responsible for a better showing when shown in Canadian dollars.

For the ten months to Oct. 31 net was $13,139,260 as compared with $14,382,761 for the same period in 1932. Gross was $23,850,015, down $1,087,338.

Bond Tenders

5 p.m., Dec. 1, Sainte Cecile of Whitton, P.Q.—$11,000, 5½ per cent bonds, dated Nov. 1, 1933, redeemable by series to 1953. Object of loan: debt consolidation. J. A. Beaudoin, sec.-treas.

BONDS.....

The average coupon rate of Dominion of Canada Bonds in 1913 was 3⅜ per cent. At today's prices, the income return on high-grade bonds is considerably above normal and greater than it has been for the past six months.

We invite your inquiries.

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IMPERIAL BANK OF CANADA

59th ANNUAL STATEMENT

Year Ending October 31st, 1933

Profit and Loss Account

Dividends to Shareholders	$ 700,000.00	Balance at credit of account Oct. 31st, 1932, brought forward	$ 544,743.51
Contribution to Officers' Guarantee Fund	7,500.00	Profits for the year ended 31st October, 1933, after deducting charges of management, auditors' fees and interest due depositors, and after making full provision for bad and doubtful debts and for rebate on bills under discount	1,204,038.70
Contribution to Officers' Pension Fund as per By-law No. 33	40,000.00		
Reserved for Contingencies	250,000.00		
Dominion Government and other Taxes, including tax paid on circulation and Reserve for Income Tax	170,000.00		
Balance of Account carried forward	581,282.21		
	$1,748,782.21		$1,748,782.21

GENERAL STATEMENT

Liabilities

Notes of the Bank in Circulation		$ 7,900,218.00
Deposits not bearing interest	$21,148,927.38	
Deposits bearing interest, including interest accrued to date of Statement	83,300,122.47	
		104,449,049.85
Advances under the Finance Act		1,590,000.00
Balances due to other Banks in Canada	$ 2,799,775.91	
Due to Banks and Banking Correspondents in the United Kingdom	[illegible]8,662.50	
Due to Banks elsewhere than in Canada and the United Kingdom	814,044.78	
Letters of Credit Outstanding	1,091,531.48	
		4,794,014.67
Total Liabilities to the Public		$118,733,282.52
Capital Stock paid in	$ 7,000,000.00	
Reserve Fund Account	8,000,000.00	
Dividend No. 173 (payable 1st November, 1933) for three months at the rate of 10% per annum	175,000.00	
Unclaimed Dividends	1,536.53	
Balance of Profit and Loss Account carried forward	581,282.21	
		15,757,818.74
		$134,491,101.26

Assets

Current Coin held by the Bank	$ 492,147.79	
Dominion Government Notes	9,469,309.00	
United States and other Foreign Currencies	22,040.36	
		$ 9,983,497.15
Deposit in the Central Gold Reserve		1,400,866.66
Deposit with the Minister for the purposes of the Circulation Fund		443,419.76
Notes of other Banks		423,825.00
Cheques on other Banks		6,024,037.10
Balances due by other Banks in Canada		656,301.34
Due from Banks and Banking Correspondents in the United Kingdom		990,007.74
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom		2,444,652.32
		$ 22,366,607.07
Dominion and Provincial Government Securities not exceeding market value	$22,849,083.16	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	6,209,590.51	
Railway and other Bonds, Debentures and Stocks not exceeding market value	165,890.57	
		29,224,564.24
Loans to Provincial Governments	$ 2,878,575.88	
Loans to Cities, Towns, Municipalities and School Districts	8,540,192.46	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	5,987,721.87	
		17,406,490.21
Other Current Loans and Discounts in Canada (less rebate of interest), after making full provision for all bad and doubtful debts		57,465,120.06
Non-Current Loans, estimated loss provided for		238,361.84
Real Estate other than Bank premises		166,745.53
Mortgages on Real Estate sold by the Bank		430,230.75
Bank Premises, at not more than cost, less amounts written off		6,000,000.00
Liabilities of Customers under Letters of Credit as per contra		1,091,531.48
Other Assets not included in the foregoing		101,450.08
		$134,491,101.26

FRANK A. ROLPH,
President.

A. E. PHIPPS,
General Manager.

AUDITOR'S REPORT TO SHAREHOLDERS.

We report to the Shareholders of the Imperial Bank of Canada:—

That we have examined the above Balance Sheet as at October 31st, 1933, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. SHEPHERD, C.A.,
of Peat, Marwick, Mitchell & Co.
W. D. GLENDINNING, C.A.,
of Glendinning, Gray & Roberts

Toronto, November 15th, 1933.

The Financial Post

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, NOVEMBER 25, 1933

WHO IS TO CONTROL IT?

THERE promises to be a very keen debate in Parliament when the question of the ownership of our new central bank comes up for consideration. The members of the Macmillan Commission divided on the point as to whether the bank should be privately owned or publicly owned. Lord Macmillan, Sir Charles Addis and Mr. Leman apparently favor a bank entirely owned by private shareholders. Mr. Brownlee and Sir Thomas White inclined to the view that if we were to have a central bank it should be owned by the government, who would appoint the directors and executive officers.

The purpose of a privately owned bank is to avoid political influence in its operation. Yet by its very nature a central bank must be an arm of government. Its purpose is chiefly social in character, to give direction to credit in the interests of the greatest number of people in the state. The directors of the bank would normally play a major rôle in the formation of the national monetary policy and even if they had little to say about the formation of policy their institution would be the chief instrument for putting it into effect. Obviously then, the bank must work closely with the government of the day. It is not to be assumed that every government will always be inclined to take the advice of the bank. There will be numerous occasions when the government will expect the bank to take the advice of the government.

Recognizing the close link between government policies and central banking policies, different countries have attempted, in establishing their central banks, to work out compromise arrangements in order to leave control of the bank very much in the air. Sometimes the compromise is de facto and sometimes de jure. The privately owned bank of France is recognized as a very definite instrument of the French foreign office. The privately owned Bank of England seldom clashes directly with the British Treasury but whether this is due to the fact that the bank bows to the Treasury or the Treasury bows to the bank is not always certain. In Australia, the government owns the bank and runs it. In the United States the banks own their various Federal Reserve Banks but Federal Reserve policy is, under the present régime at least, merely a reflection of the policy of the administration.

The plan of having the bank privately owned and having its shares widely distributed is regarded by many people as the best and the least dangerous. In making this suggestion the majority of the Macmillan commissioners have borrowed from the recent proposals for an Indian central bank. The plan to have the board of directors virtually self perpetuating, with the government's influence being felt through the power of veto of nominations, is also a compromise.

All will depend on the character of the men appointed to the bank, their ability, their public spirit and their sense of social responsibility. No possible system can be devised to make a bank completely non-political and at the same time to ensure that it will always work in harmony with the government of the day.

Considering the high sense of responsibility of Canadian bankers, their broad minded public spirit in service to the nation, and their willingness, demonstrated over a term of more than 60 years, to co-operate with the government, Canada could do worse than establish a central bank, owned outright by the chartered banks on some pro rata basis of distribution of shares, and operating as the definite link between the Dominion Treasury, representing the people and the commercial banking system of the country.

INTEREST RATES IN CANADA

AMONG the questions not discussed in the report of the Royal Commission on banking is the important one of interest rates in Canada. The only reference of major importance to this problem is that by Hon. J. E. Brownlee, who stated, in part:

> "Lowering of interest rates on deposits would lead to a lowering of rates on the higher grade of bonds, both public and private, by leading depositors to seek more remunerative fields of investment and thus facilitate the refunding operations at lower rates of interest of both governmental authorities and industrial bodies. Annual carrying charges would thus be reduced. It should result in a reduction of rates on current loans, thus relieving the burden of all governmental authorities, Dominion, provincial and municipal. It should result in a general reduction of rates of interest that should permeate every phase of industrial and private enterprise and should thus result in some decided stimulus to a revival of business."

The reason for the omission of important reference to interest rates in the report is understood to be that three commissioners, Sir Charles Addis, Sir Thomas White and Beaudry Leman, were bankers, and felt that this question should be settled by the banks themselves as a matter of internal policy. Sir Charles, the only one of the three bankers who favored a central bank, is also believed to have felt that such an institution would be responsible for the future handling of the interest rate problem. Hence, comment on interest rates was largely withheld.

Interest rates in Canada appear to be somewhat higher than in Australia, South Africa, the United Kingdom and other parts of the Empire and the world. There is much to be said for a lowering of Canadian interest rates generally. What action toward lower rates has already been taken did not emanate from the banks in the first instance. There is understood to be little sympathy among bankers with suggestions of another interest rate cut on bank deposits.

Perhaps a central bank would tend in time to make our interest rate structure more elastic. But the proposed bank's establishment is distant and its operations even more so. And its effectiveness is uncertain.

The interest problem is a serious one. It must be faced sooner or later. The fact that the Royal Commission has omitted to go into it more fully only makes the need for consideration of the question more apparent.

Canada, with other nations of the Empire, has signified its agreement that low money rates are necessary and desirable to promote trade recovery. If the agreements mean anything, some action should be taken to implement them in Canada.

THE GREAT PIG PUZZLE

THERE is no little mystery about this business of bacon. A few weeks ago The Financial Post published an article showing how Denmark had won the British bacon market and how high quality of product and good merchandising methods were protecting them despite the generous quota obtained from Britain by Prime Minister Bennett.

Then we revealed in another article that Canada was shipping only 17,000 hundredweight of bacon a week to England, although our quota was 50,000 a week.

Pens began to scratch. Some editors blamed the government for the situation; some the packers; some the farmers. A few thought the British consumer was not doing his part.

It began to look like a vicious circle. The packers said the farmers did not give them the right kind of hogs; the farmers said they couldn't afford to raise hogs at the price the packers paid.

Various authorities are writing to the editor of The Financial Post supporting or protesting the views expressed. Some of the letters are published in this issue.

The answer to the great pig puzzle isn't in the back of the book. But one thing is certain; all shoulders must be put to the wheel if the British bacon quota is to bring the fullest possible prosperity to Canada. Farmers, packers, government experts, the farm press must work together. The tendency of each one to blame the other for the slowness in developing the trade won't solve the problem.

BOND EXCHANGES NEEDED

POSSIBLE formation of a Canadian bond exchange or exchanges is seen as a consequence of the Royal Commission report on banking and finance. Such an organization, where prices would be clearly indicated from day to day, would be of great value to investors.

Under the present method of dealing in bonds in Canada, there is much confusion from the investor's viewpoint. Frequently, also, there is a loss in dollars and cents. At present the market consists of dealers trading over the telephone. A buying order from one investor may pass through several dealers' hands before it is offset by a selling order from another investor. Each dealer may want to make a small fraction as his profit.

If bond exchanges were organized, say, in Montreal and Toronto, transactions would be arranged as on stock exchanges, at the best price available to the investor. Instead of "scalping" deals, bond houses would receive a commission for acting as agents for investors in buying and selling. Thus, excessive profits, which are infrequent but not unknown, might be eliminated, and a fair charge made for the services rendered.

To the credit of dealers, action is being sought toward the formation of bond exchanges. The evils of excessive profits reaped from unwitting investors by some dealers who take more than a fair margin on transactions is recognized by the leading Canadian investment banking houses.

The opposition which faces those dealers who urge establishment of a bond exchange comes largely from two sources: from a few houses which, since they command a large part of the market for certain securities, feel they might lose business to competitors; and from some houses which are inclined to "chisel" a large slice in making deals with investors. In neither case is there justification for the attitude adopted.

The long run interests of the bond business should clearly be toward giving investors better service and fairer dealings. Probably the worst thing the investment banking business has to live down is an unfavorable reputation based on unscrupulous dealings of the comparatively few. It is time that a long term attitude was adopted by all responsible bond dealers in the interests of investors, which, in the end, must be the interests of the entire bond business.

In any event the handwriting is on the wall. Recommendation of a central bank for Canada, and its probable creation, mean that an official bond market will ultimately be necessary for successful operation of the proposed institution. And the merger of the two large Toronto stock exchanges is also an indication of the trend. It is not inconceivable that if bond dealers fail to establish exchanges, the facilities of the Montreal and Toronto stock exchanges may be pressed into service as bond markets.

For efficient operation and active bond trading, it would be best if the experienced bond dealers were to form exchanges themselves. But if they don't someone else may.

HAMILTON BUSINESS MAN WRITES EDITORIAL

FROM a Hamilton business man we get the suggestion that every candidate for public office in Canada should be required to pass an examination on the subject of "What Canada Produces."

The incident that gave rise to this suggestion occurred recently in Toronto. A discussion was taking place in the City Council on the advisability of building a new bridge. One of the aldermen expressed the opinion that the actual amount of work that would be given to the unemployed would not amount to more than 35 per cent of the cost, as a large proportion of the money would go to the United States for steel.

Now, there may have been many good reasons why this bridge project should not be proceeded with, but the assumption that a large portion of the money would leave Canada was not only beside the point but it was inaccurate. Two of the largest bridge contracts awarded in Canada in recent years have been 100 per cent Canadian in content and in the particular project that was under discussion, not 35 per cent but more than 82 per cent of the cost of the project would have found its way into the pockets of Canadian workmen.

NEW DEAL FOR ENGLAND BARS OUT NORMAN

THE LIVING AGE of Boston, which has made a number of astute forecasts of different developments in the depression now predicts the formal retirement of Montagu Norman, and defeat for his deflationary policies.

The Living Age contends that his usefulness is approaching zero and that a new deal for England is now in order.

The Daily Herald, of London, recently prophesied the early resignation of Montagu Normen. It pointed out that Mr. Norman is determined to get Britain back to the gold standard at the earliest possible date, although leading cabinet ministers, the Treasury, and other important interests have other views. Mr. Norman has been the most persistent advocate of the definite link of the pound with the French franc, which has meant that Britain has virtually been on the gold standard at a time when United States action made it essential, in the opinion of most British economists, that the pound sterling should remain free.

These forecasts are of interest in view of the fact that in its issue of July 29 last, The Financial Post carried an article written by a staff editor in London in which it was stated that Montagu Norman, governor of the Bank of England, was slated for extinction. Some day soon, it was pointed out, the directors of the bank would simply fail to re-elect him as governor. It will not be at the 1934 annual court. The peculiar international antics of Montagu Norman and his insistence upon a monetary policy for Britain at variance with the views of leading industrialists and economists has definitely forfeited for him the support of some of the most influential people who do not give his policies credit for Britain's remarkable current prosperity. They are beginning too to realize that it was largely because of his bad advice that Britain made its unfortunate debt settlement with Washington in 1923 and returned to the gold standard at an impossible parity, in 1925.

Post-Scripts

THE other day Robert Cromie, publisher of the Vancouver Sun was the guest of honor at a Russian dinner given by the Writers' Club of Hollywood, California. Invitations to the dinners of the club, of which Rupert Hughes is president, are much sought after.

A very distinguished group sponsored Mr. Cromie's appearance at the Writers' Club, including Senator McAdoo, Charles Chaplin and the publishers of the Los Angeles and Hollywood newspapers.

Mr. Cromie's appearance in person was designed to signalize the reconciliation of the United States with Russia. In honor of the occasion a Russian dinner was served by General Lodijensky, and Russian artists furnished unique entertainment.

Mr. Cromie was advertised as "one of the world's most famous editors."

Last summer Mr. Cromie toured Soviet Russia, including Siberia and has written many articles for his paper. Most publishers and editors have the happy knack of keeping out of the newspapers except with their own writings, but in the case of "Bob" Cromie publicity has dogged his footsteps at every turn. He is one of the best known of Canadian daily newspaper publishers, although his paper is not by any means the largest or most important in the country. But it can't be said that Mr. Cromie dislikes it.

* * *

A REPRESENTATIVE of The Financial Post dropped in to see Mayor Blakeny, of Moncton, N.B., the other day. While he was there a boy from one of the local schools was brought in to be presented to His Lordship. He had been sent in by his teacher to show the mayor the manner in which he had answered a question put to him by his teacher. The question was, "Who are the four most famous men in the world?"

The first name on the list was that of the mayor. The second was "Benett," the third was "Rosserlt," which suggests the possibility that the young lad had heard of the president of the United States. The fourth name was King George.

The mayor was slightly touched by the young man's evidence of esteem. In any event he rewarded him by sending him to the local picture show every Saturday for a month.

The name of this very astute young school boy was Jean Baptiste, age 11.

* * *

AS HE left London on his way to Germany to write a series of articles for the Southam newspapers, Lukin Johnston, chief London correspondent for the papers, wrote an article headed, "Nach Berlin, 1933."

This is the way his article, which appeared in the Southam papers on November 13, started:

> "I'm going to Berlin—and way points: I ought to be pleased at the prospect . . . . But there's something 'queer' about this expedition."

"Something queer!" What premonition did he have?

This week the cables reported that he was missing from a Channel steamer.

Sayings of the Week

"If I fail, then hand me to the gallows."—*Herr Hitler.*

* * *

"The way to internationalism is through nationalism."—*Il Duce.*

* * *

"The greatest danger today is selfolatry."—*Stephen S. Wise.*

* * *

"Germany must no longer be the world's spittoon." —*Prince August Wilhelm.*

* * *

"Liberty is not only a right; it is a reward and a conquest."—*André Maurois.*

* * *

"A desperate winter lies ahead."—*Newton D. Baker, former U. S. Secretary of War.*

* * *

"A man may have any number of ideas, and still have only one ideal."—*G. K. Chesterton.*

* * *

"The politicians will quickly do whatever the people compel them to do."—*Nicholas Murray Butler.*

* * *

"I believe we have reached the time where our two railways must amalgamate."—*Hon. W. D. Euler, M.P.*

* * *

"Whoever bites against Britain, hoping to find her decadent or unaware, bites upon rock."—*Rt. Hon. Walter Elliot.*

* * *

"It is not our habit to move until we know the ground is tried and firm whereon we plant our feet." —*Rt. Hon. Stanley Baldwin.*

* * *

"No man can find his own soul until he strikes a balance in the account between himself and society at large."—*Albert Einstein.*

* * *

"If the tendency to eliminate the individual in favor of the crowd is continued, I feel that man has seen his best."—*J. A. Crabtree.*

* * *

"The Scot has always had a distaste for the easy-going and untidy opportunism of his southern neighbors."—*Lord Macmillan.*

* * *

"Inflation is like a balky and unruly horse. It simply refuses to be guided by the rider."—*Henry J. Haskell, of the Kansas City Star.*

* * *

"We are on the way out of the depression and make no mistake about it."—*Myron C. Taylor, chairman, Finance Committee, U. S. Steel Corp.*

* * *

"The administration is suspicious of bankers, of their methods and their ways of thought."—*Arthur Krock, Washington correspondent, The New York Times.*

* * *

"A nation cannot live upon public charity, which is founded on spending national capital as though it were national income."—*Rt. Hon. Ramsay MacDonald.*

* * *

"If the President should make it clear that he hopes business men will make profits, such a statement might readily be the one final touch that would complete and make successful his dearly held policy of causing prices to rise."—*Mark Sullivan, Washington correspondent, New York Herald-Tribune.*

Silence is Not Golden When Speech is Needed

Heads of Our Great Institutions Urged to Tell Their Stories Frankly to Public

By W. P. TUTTLE

There is a definite need today for the dissemination of knowledge among the uninitiated. Most people have only limited opportunities for acquiring knowledge as to how our country, our great institutions and the world's business in general are run. They are apt to see or hear only the garbled and biassed reports of those who have a special axe to grind, a political bone to pick or a special "ism" to sell.

A full and truthful description as to how and why our banking systems, our insurance systems, our railroad systems, our various commercial enterprises operate, would have not only a heartening effect upon those who are in sympathy with our leaders but it would place before the great mass of our countrymen real facts, that would offset the misrepresentations of those who are more interested in down-pulling than in up-building.

Most of the ills of mankind come from ignorance. Wherever it is possible to dispel ignorance and put facts, figures and fine ideals into the minds of our people there will be beneficial results. When one considers that our institutions are the result of many years of experience, wherein the ineffectual is gradually done away with and the practical and beneficial retained, it is clearly the duty of the custodians of these great institutions to use every legitimate weapon to preserve this heritage.

Selling The "Owner"

One of the most logical advertising campaigns was that inaugurated by the Packard Motor Car Company which used as its slogan, "Ask the man who owns one." The object of this campaign was to tell the owner of the Packard the various excellent points that the car possessed so that he would be immune to the cajoleries and the selling smoothness of salesmen representing rival automobiles.

As a matter of fact, after a man had invested in a Packard car he was more or less hungry for facts that would justify his judgment and his investment; and when the Packard Motor Car Company furnished him with these facts he became an active adherent to the Packard idea and a great salesman for the car.

I believe that the same principle obtains in a wider field. The majority of our citizens are loyal supporters of our constitution and of our institutions. Such men are hungry for facts with which they can substantiate their faith in their country and its activities.

Fine Records to Recall

It is unquestionably a duty that devolves upon our business leaders to break their silence and to inform the public as to the various activities that are keeping alive the life of Canada today.

The record of the success of any of our great institutions—our insurance companies, our railroads, our banks, our great industrial enterprises—is a record of success for Canada herself, and subversive articles intending to belittle the importance of this work, to speak contemptuously of our great men is a matter of grave import.

Successful men all too seldom offer remedies, explain their actions or seek to illuminate their opponents by outlining any plan which they, as wise men, have conceived as the proper plan to follow. But there comes a time in the political and commercial as well as the moral development of civilization when the unthinking, the uneducated and the ill-informed become endued with more and more responsibility. They assume more and more power in political and commercial life, and girded with this power they seek to establish their conception of what is right and what is wrong and impress their ideas upon a whole people.

Not being classified among the wise men they have no inhibitions regarding speech and plenty of it; they fill our ears with their clamor, our newspapers with their theories and when these theories become too dangerous for a newspaper to publish they write and circulate their own newspapers, magazines and pamphlets.

Opportunity for Advertising

It seems to the writer that wise men can no longer hold their peace and continue to be wise; that in a case of this kind silence ceases to be golden and that the voice of wisdom should be heard amid the tumult and uproar caused by the unthinking, and the opportunists.

To some the remedy might seem to lie in advertising, but what do we mean by advertising?—for that word is a very elastic one and covers a multitude of activities.

There are servants of various kinds, performing all sorts of duties that devolve upon them. We speak of a lackey or a housemaid, and also of the head of a great institution serving the interests of his country, as a servant. Advertising can be made to perform duties that range in importance from the lowly duty of an advertising footman to the more important duty of an advertising ambassador.

If our wise leaders today do not desire personally to enter into a discussion with those who represent unrest, there must be found some servant who would undertake to act as a medium, a go-between, an ambassador, bearing messages of explanation and of information, to supply our thoughtful and solid mass of citizens with the ammunition with which to silence thoughtless and ignorant adversaries.

Silence in this case is far from being golden, and those who cry, "Peace, peace," when they do not take one practical step toward assuring and preserving peace, have only themselves to blame if the masses of our people seeking true information are not supplied with it.

Think of It!

The Financial Post First Newspaper to Expose Soviet Propaganda

Last Saturday morning's papers told:

1. That the United States had made a deal with Russia under which Russia agreed to stop subversive propaganda in the U. S.
2. That this was the main item in the British-Russian agreement.
3. That the new third party in Canada—the C.C.F.—had found it necessary to repudiate any connection with Russian propagandists.
4. That the Prime Minister of Canada told a deputation of agitators, chiefly foreign, that he had been inundated with subversive letters and telegrams from across Canada, most of them signed with foreign names—though many of these foreign agitators are now assuming a British alias.

It is now about 16 years since The Financial Post and Maclean's Magazine drew attention to these activities. Then and for a number of years after the exposures were regarded as absurd. Even as late as 1923 Sir Edmund Walker attacked The Post and the stories it published in connection with activities in the universities as absurd.

The only man in public life who understood what was happening was Mr. Cahan, now Secretary of State. He presented so much definite evidence before the government that he was ordered to desist by his associates in the cabinet. He has undoubtedly learned much since then of the far-reaching activities; how the State Department, in spite of unofficial protests by the allies, released Trotsky when a prisoner in Nova Scotia.

A whole edition of Maclean's Magazine was ordered destroyed by the government because it exposed the anti-ally plans of Lenin and Trotsky. The editors were told that the Canadian government was back of these men. Incidentally, Trotsky before starting on his mission, was in the employ of the Canadian War Mission in New York.

Hon. Mr. Cahan since entering the government, has had, undoubtedly, much evidence of the activities and influence of these people in international banking and debt settlements.

The above is merely another bit of evidence of how The Financial Post has been and is serving its readers and Canada, and doing it under constant misrepresentations, attacks and punishment.

Other People's Views

Canal Tolls

Border Cities Star, Windsor—If there are any obstacles standing in the way of a toll system for the canals we should like to hear of them. It is possible that some good reason exists why it is impracticable to commence charging fees, but we have yet to see it put forward.

Depreciating The Dollar

New York Times—The nation is bidden to be of good cheer. Men and women who have something in the savings banks as a reserve against sickness and old age are naturally troubled when told that the dollars which they have thriftily saved will have their purchasing power cut in two. But they are reminded that they are simply bearing their part in a more just distribution of wealth. That ought to comfort them. In like manner, a widow, beneficiary of her husband's life insurance policy, may be tempted to complain that the deliberate depreciation of the dollar has robbed her of at least one-third of the resources he and she had counted upon. But the official word from Washington to her is that while her personal misfortune is a pity, she ought to be uplifted by the thought that she is contributing to a wonderful social experiment. Such individual results may be painful, may increase misery, may give the Government more helpless poor to care for, but what does all that amount to compared with the splendid opportunity given to Professor Warren and to Professor Rogers to make use of the American dollar as a corpus vile for their thrilling vivisection?

A Central Bank for Canada

Saint John Telegraph-Journal: If the establishment of a Central Bank in Canada is for the purpose of stabilizing exchange and assisting in the development of our foreign trade, well and good. This end might be accomplished by enlarging the powers of the finance department, but whatever its aims may be, such an institution should be absolutely divorced from politics. It should be free from any possibility of political pressure. It should not be a milch cow for those provinces whose reckless expenditures in past years have practically left them bankrupt. If some provinces in Canada are to be called upon to supply money for other provinces who disregard all the laws of economy, through the operation of a so-called Central Bank, then the sooner the project is forgotten the better. A Central Bank in Canada, if established, should be for banking purposes and should not be permitted to play ducks and drakes with other people's money.

The Inflation Racket

Best's Insurance News: A year ago cotton was at 5c a pound and at that time 10c cotton was the dream of cotton growers. We have 10c cotton today. . . . Only a few weeks ago the president was visited by a delegation of cotton men who wished to print paper money in large quantities. Why? Because, while cotton had doubled in value, other things which the cotton grower has to exchange his cotton for had doubled in value—or more. He is therefore no better off and perhaps slightly worse off than he was a year ago. This is true also of wheat and of all farming products. The initial rise in farm prices helped the farmer tremendously but this has been more than cancelled by the rise in manufacturing costs. That the situation cannot be cured in this way, we submit is plain.

Why then do we have so much inflation agitation if history, theory and practice, are so united in opposition? The answer must be brutally frank—it is simply that we have politicians in this country who want votes. There is a large element of our population which is naturally discontented in a period of hard times. Any theory, no matter how vicious its effects on the country, is grist to the political mill if it will bring in votes. That, in a nutshell, is the inflation racket.

Overhaul Company Law

Winnipeg Free Press.—There is a clear case for the thorough overhauling of the company law of Canada and for uniform legislation so that promoters cannot avoid the strict provisions of one act by securing incorporation under another that is not so strict. There would be less encouragement for the speculative craze and booms that lead to disastrous collapse if the investing public were always in a position to know just what they were doing and the chance they were taking. And in regard to the present situation and the possibility of facilitating the economic recovery in Canada, it is obvious that confidence on the part of investors that the new company legislation would give them much better protection than in the past, would be all to the good in helping to create a forward movement.

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Out of each month's income careful investors are now saving a proportion for investment in carefully selected bonds.

Investment suggestions will be sent upon request.

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Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
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News Sulphite Pulp
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1866 1933

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Specializing for 67 years in the engraving of Bank Notes, Bonds, Stock Certificates, Postage and Revenue Stamps, Municipal Debentures and other monetary documents, this Company's long experience and sound business policies combine to ensure dependable quality and prompt delivery.

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A vitalizing, corrective food in daily use by thousands of Canadians

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STANDARD BRANDS LIMITED
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A Canadian corporation operating Canada's largest fresh food delivery system

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Money Orders in Canadian or American Dollars also at every Branch.

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FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager
BRANCHES THROUGHOUT CANADA

The Week in Business

Business Volume Good

MOST encouraging news of the week is the good performance in October of The Financial Post index of the physical volume of business based on 47 key factors Preliminary figures show only a fractional decline from the high peak of September. The gain in the past seven months has been almost 30 per cent.

That business in Canada has almost maintained the high mark of last month in the face of uncertain financial conditions across the border is indicative of the type of recovery which has been experienced in this country. It would be foolish to minimize the importance of events in the United States, for sooner or later if business continues to react in the U. S. A., that reaction will be felt in Canada. For the time being, however, business recovery here is standing up better than it is in the States.

* * *

Old-fashioned Winter

REAL old-fashioned winter which in Central Canada at least is breaking all available records for severity and early arrival, is proving useful to retail business. On the other hand, lake shippers bemoan the premature closing of shipping in the Great Lakes-St. Lawrence system. Merchants, however, report much-appreciated activity in seasonal merchandise—a good month or six weeks before corresponding demand in recent years. The weekly report of Dun & Bradstreet Inc. bears this out.

"The widespread prevalence of wintry weather has given a marked stimulus to the movement of merchandise in most branches of the retail trade, with all kinds of heavy wearing apparel, shoes, automobile accessories, and hardware in particularly good demand. Radio sets and parts are receiving more attention than they did a year ago at this time, and sales of winter sport goods have picked up pronouncedly Retail shoe sales are increasing steadily, while demand for rubber footwear has reached the largest volume of the year. Large orders are going through for leather goods for the Christmas trade. Textile manufacturers are maintaining nearly capacity schedules, and furniture factories are busy filling orders, but the retail demand continues to be chiefly for the low-priced pieces. The industrial demand for steel still is small, and there has been some curtailment of operations in sawmills and paper mills.

"Agricultural implement manufacturers still are on low production schedules, but sales increased slightly in October. Repair parts continue to occupy a good share of present manufacturing activity. Inventories are considerably reduced, compared with those held during the spring and summer months, and the leading companies report some success in liquidating old accounts."

* * *

Farmers Under Fire

STRAIGHT from the shoulder comes an open letter from S. E. Todd, secretary of Industrial and Development Council of Canadian Meat Packers, to Canadian farmers. Back from England, Mr. Todd warns of complaints against the "lack of finish and light weights" of Canadian export bacon. Hog prices in 12 months, he points out have risen from $3.70 to $6 per cwt. while deliveries are currently running almost 30 per cent above the same week a year ago. This means that, packers, anxious not to burden the domestic market, are forced to ship bacon that does not measure up to desired quality. The real reason for poor quality is that Canadian farmers do not understand the importance of proper weight and finish.

Proper range of weights for bacon and select grade hogs is from 180 to 230 lbs. at the farm, but neither the maximum or minimum figure is desirable, says Mr. Todd. Hogs now coming to market in quantity are from 180 to 200 lbs. At these low weights many are unfinished and even a part of the heavier weights lack finish. This, it is claimed is disastrous to good prices for both domestic and export demand as the bulk of hogs should be from 200 to 220 lbs. at the farm when not too full of feed. Mr. Todd urges the co-operation of Canadian farmers to "finish" hogs properly in order that the present good market be maintained.

Business Conditions in Canada

MARITIMES FEEL MUCH BENEFIT FROM POTATOES

Prices Good, Yields High — P.E.I. Outlook Improves

Higher prices and a good crop is the important news from the famous potato growing areas of the maritime provinces.

A survey made by The Financial Post recently, reveals that in the two provinces of P.E.I. and New Brunswick alone, potato farmers will receive something like $3,000,000 more for their crop this year than last year—an increase of from 100 to 150 per cent on the 1932 returns. Nova Scotia alone of the maritime provinces will harvest a smaller crop this year and even here the substantially higher prices will more than offset the lower volume.

Total crop in P. E. I. and New Brunswick this year was estimated a few weeks ago by the Dominion Bureau of Statistics at 9,200,000 cwt. as compared with 7,000,000 cwt. a year ago. The five-year average for the period 1926-1930 was 9,670,000 cwt. for the two provinces.

P. E. I. Pleased

In P. E. I., for example, shipments of potatoes from the province approximated 3,700 carloads. This year it is believed that 7,000 carloads will be available for shipment. As to prices, a Charlottetown bank manager reports to The Financial Post that while last year's seed stock realized the farmer only from 30 to 35 cents a bushel, this year corresponding prices are around the 70 to 80 cent a bushel mark. Table stock tubers which last year netted but 18 to 20 cents a bushel are this year priced at around the 40 to 50 cent mark. Quality of the island stock is excellent and in view of the short crops elsewhere and particularly in the Middle Western States, growers are very hopeful that these prices will be maintained. On this basis The Financial Post estimates that returns to growers in this province will be more than $1,000,000 higher than last year or approximately $2,400,000.

New Brunswick Yield High

In New Brunswick, despite a cut in acreage from 48,200 to 46,900 due to inability of farmers to purchase fertilizer, weather the latter part of the summer was very favorable and estimated total yield is now placed at 5,628,000 cwt. as compared with 3,856,000 cwt. for 1932. The estimated value of the crop is put at $2,890,000 as compared with but $1,171,000 for 1932. Heavy yields are reported particularly from the Keswick Valley district in York county where well tilled crops yield as high as 175 barrels to the acre.

Commodity Prices

	Week ending Nov. 18	Previous week	Same week last yr.
Cattle, cwt.§ ...	$5.00	$4.65	$4.50
Copper, lb.	.08¼	.08¼	.05375
Cotton, lb.	.1015	.1005	.0625
Rubber, lb.	.0875	.0838	.0337
Sugar, raw, lb.	.0318	.0330	.0308
Silk, lb.	1.52½	1.55	1.57½
Wheat (Man.) bu°	.65¼	.64⅞	.47⅛
Hides, lb.	.10½	.10½	.06½
Coffee, lb.	.07½	.07⅛	.08¼
Weekly Indices			
N. Y. Annalist‡	104.9	103.0	88.8
Fishers'	72.1	71.6	†62.0
N. Y. Journal of Comm.■	71.1	71.5	58.2
Crumps (Brit.)*	63.5	63.7	†62.4
Can. (D.B.S.)▲	84.2	83.9	†75.0
U.S. Labor• ..	70.9	70.9	63.9

†Average, 1932.
*Week to Nov. 18.
‡Week to Nov. 14.
▲Nov. 4.
•Nov. 4.
♦Nov. 18.
§Nov. 16.
°Nov. 20.
■Nov. 18.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (October)	67.9	68.9	65.0
Retail (Oct.)	77.9	78.8	81.4
U. S. Labor (Sept.)	70.8	69.5	65.3
Gt. Brit. (Sept.) ..	69.5	69.2	68.9

‡ Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York; silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

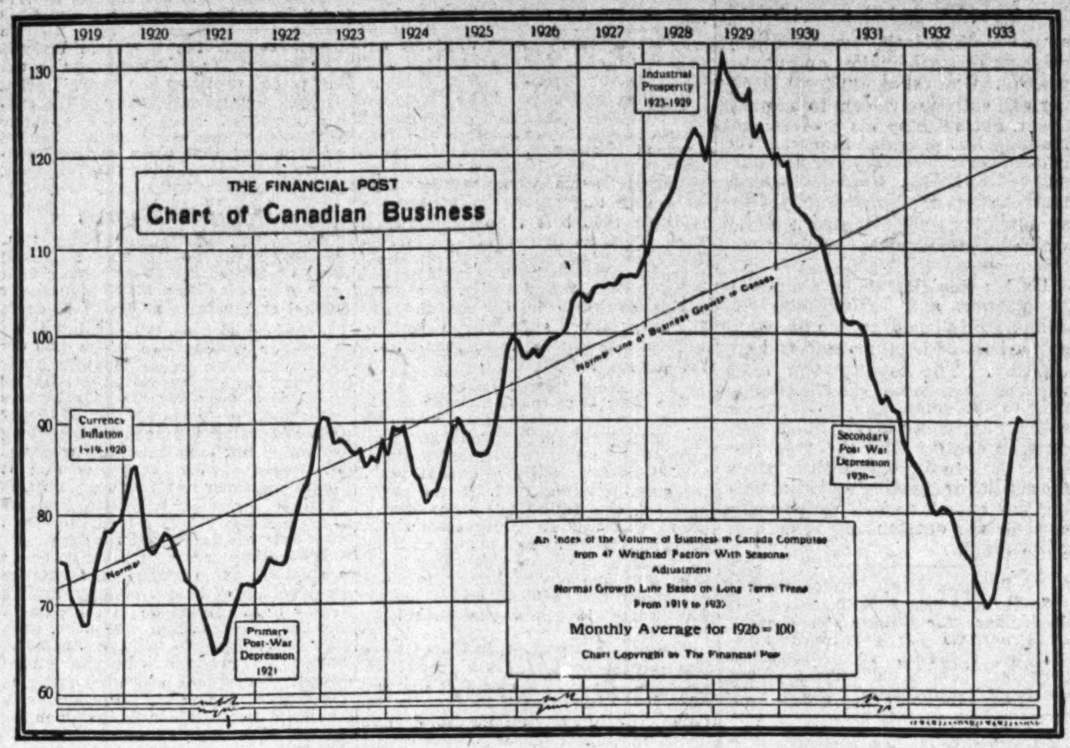
Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Nov. 11)	47,442	44,276	1,754,445	1,912,802
C. P. R. gross earn. (Nov. 14)	$ 2,281,000	$ 2,380,000	$ 96,822,000	$ 106,181,000
C. N. R. gross earn. (Nov. 14)	$ 3,028,114	$ 3,000,627	$ 124,856,745	$ 136,377,254
Monthly				
C. P. R. net earn. (Sept.) ...	$ 3,003,328	$ 3,722,576	$ 9,971,451	$ 10,531,370
C. N. R. net earn. (Sept.) ...	$ 2,058,858	$ 2,238,945	$ 907,373	$ 2,601,829
Iron and Steel—				
Pig iron, tons (Sept.)	30,738	5,709	133,870	96,219
Steel, tons (Sept.)	38,630	23,139	266,829	257,843
Automobile prod. No. (Oct.)	3,682	2,023	60,371	56,473
Auto Vehicles—				
Passenger, sales, No. (Sept.)	2,722	2,218	36,173	35,581
Trucks & buses, sales, No. (September)	719	695	4,775	6,336
Auto. exports, No. (Oct.) ..	2,952	2,462	17,457	10,404
Construction—				
Building permits (Sept.) ...	$ 2,032,839	$ 2,449,735	$ 16,125,512	$ 35,026,199
Contracts (October)	$ 15,014,300	$ 8,875,600	$ 78,445,000	$ 118,510,400
Newsprint—				
Production, tons (Sept.) ...	179,416	150,691	1,448,249	1,455,348
Exports, tons (Oct.)	171,946	148,934	1,490,170	1,536,197
Sugar—				
Imports, raw, lbs. (Sept.) ...	48,576,000	57,911,500	423,247,900	577,764,500
Melt. & ship., lbs.*	76,857,654	92,239,204	572,578,024	661,401,963
Manufactured, lbs.*	87,616,868	106,613,372	573,374,868	656,614,187
Flour—				
Production, bbls. (Sept.) ...	1,392,683	1,384,500	9,438,280	9,790,923
Wheat flour exp., bbls. (Oct.)	514,368	528,794	4,124,351	4,062,894
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Oct.) ...	117.32	55.25	816.50	590.14
Boots and shoes, pr. (Sept.)	2,035,525	1,723,202	15,071,463	13,940,630
Petroleum, imp., crude gal. (September)	108,097,228	76,913,048	605,947,426	721,880,179
Cotton, imp., raw, lbs. (September)	7,409,192	4,553,000	68,549,192	61,132,000
Rubber, raw, imp. lbs. (Sept.)	5,868,575	6,204,016	28,639,451	38,473,675
Coal, imports, tons (Sept.) ..	1,468,108	1,296,274	7,932,705	7,939,816
Gasoline sales, gals. (Aug.) ..	61,862,000	61,668,000	318,335,000	326,277,000
Trade—				
Imports (October)	$ 41,089,424	$ 37,094,525	$ 322,194,364	$ 385,883,998
Exports (October)	$ 60,213,729	$ 56,626,095	$ 420,160,738	$ 405,248,525
Wheat exports, bus. (Oct.) ..	23,305,510	40,192,415	151,366,940	173,181,780
Labor—				
Employment Index (Sept.) ..	90.4	86.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Sept.) ..	1,489,329	1,279,136	12,523,497	11,591,420
Failures, No. (September) .	155	192	1,585	1,793
Failures, Liabilities (Sept.)	$ 2,344,568	$ 2,979,544	$ 26,347,327	$ 30,012,931
Bank debits (Sept.)†	$ 2,457,108	$ 2,097,931	$ 21,828,717	$ 18,926,189
Bond sales (Oct.)	$ 225,585,719	$ 101,640,105	$ 475,823,749	$ 372,234,858
Insurance sales (Oct.)	$ 31,253,000	$ 29,858,000	$ 292,370,000	$ 336,437,000
Automobile Financing—				
Used cars (September)	$ 764,400	$ 958,253	$ 8,491,244	$ 10,804,794
New cars (September)	$ 837,149	$ 938,254	$ 8,573,644	$ 11,006,906

*Four weeks period, Sept. 16 to Oct. 7. †(000's omitted). ‡Deficit.

October Business Close to September Peak



Measured by preliminary information, business operations were not quite so active in October as in the preceding month. The recession was the first recorded since March when the lowest point of the year was reached. The advance from March to October according to The Financial Post index was 29 per cent, an index of 90.2 in October comparing with 69.9 in March.

Shipments of copper, zinc, silver and asbestos were in greater volume in October while nickel exports were at a high level. Food production except sugar showed decline after seasonal adjustment. Tobacco releases were more than maintained. Newsprint production was higher, while adjusted exports of pulp, lumber and shingles showed recession. Steel ingots were up while pig iron and automobiles were reactionary. Construction contracts made a brilliant showing and external trade established records for more than a year.

Mining, Lumber, Newsprint, Construction, Record Gains

October Business Shows Slight Reaction from September High — Business on Sound Basis

By SYDNEY B. SMITH

The business situation was mixed in October, a larger proportion of significant factors showing recession than in the preceding month. This forms a contrast with the bright picture displayed from March to September.

During the seven-month period The Financial Post index registered the spectacular advance of about 30 per cent. The rise in the index was from 69.9 to 90.9, an unbroken advance counterbalancing the decline from November, 1931, to the second quarter of the present year. The higher level of operations was not limited to any section of the industrial field, but was surprisingly general in most phases of productive enterprise.

Recovery Genuine Here

It may also be stated that the recovery in Canada has been of a genuine character unassisted by premeditated inflation of the Canadian dollar or the lavish expenditure of Government funds for credit inflation or construction programmes. The greatly accelerated pace of business operations in Canada is not due to artificial stimulation from internal sources and is consequently of a more sturdy character.

The Financial Post index in its preliminary form was 90.2 in October compared with 90.9, the final index for September At the time of computation 26 factors out of the 47 used in the complete index were available, and measured by these factors business operations were not quite so active as in September when the maximum for the present year was reached.

Several Groups Gain

A good showing was made by mineral production while food products were produced in lesser volume. Newsprint was a favorable factor while the export of lumber and pulp was reactionary. The primary iron and steel industry was moderately active, while operations in the automobile industry retreated to a lower level. The award of construction contracts reached a higher point, contrasting with the indifferent showing of building permits. External trade continued at a high level, breaking records for a considerable period.

Mineral Production

Copper—Exports of copper in different forms as produced by Canadian mines smelters and refineries were 28,005,600 pounds in October compared with 23,125,300 in the preceding month. During the last four months, the movement of copper from Canada has been 96,753,100 pounds compared with 61,404,000 pounds in the same months of 1932, the gain being 57.6 p.c.

Nickel Exports in October while somewhat less than in September, showed a very high level, the total being 10,134,000 pounds. This compares with 10,546,200 pounds in September, the maximum shipment of the current period.

Lead Production in the latest month for which statistics are available was 22,967,000 pounds, the index after seasonal adjustment showing a decline of 5 p.c.

Zinc—The decline in zinc exports was less than normal for the season, the total being 17,156,000 pounds compared with 17,821,000, the index moving up from 112.0 to 158.3.

Gold shipments from Canadian mines were 226,168 ounces compared with 240,110, the adjusted decline being nearly 7 p.c.

Silver — Shipments of silver were 1,941,600 ounces compared with 1,768,000.

Asbestos—The adjusted gain in the export of asbestos was about 1.5 p.c., the total in October being 10,670 tons of better grades.

Of the seven factors showing the trend of mineral production four recorded adjusted gains over September and three were reactionary.

Flour Milling — General declines were shown in the principal products of the flour milling industry in the latest month for which statistics are available. The output of wheat flour was 1,392,700 barrels compared with 1,443,700 and the production of rolled oats was 12,093,000 pounds compared with 11,259,000.

Sugar — The sugar industry was more active, in the four-week period ending in October. The output was 87,617,000 compared with 60,378,000, the index after seasonal adjustment moving up from 72.8 to 107.8.

Slaughtering and Meatpacking — This industry handled a larger volume in October but the increase was less than normal for the season. Cattle slaughterings were 108,475 head compared with 100,743, the adjusted index dropping from 98.0 to 92.8. Sheep and lamb slaughterings were 181,611 head compared with 147,619 but the seasonal increase is normally much greater than in this case. Hog slaughterings were 235,255 compared with 195,498, the index declining from 118.2 to 111.8.

Cheese, Salmon—Exports of cheese and canned salmon recorded gains, but here again the increases did not measure up to seasonal standards. Cheese exports were 14,939,100 pounds compared with 14,120,500, and 6,926,800 pounds of canned salmon were exported as contrasted with 6,417,000.

Tobacco—A considerable gain was shown in the release of cigars, the total being 14,202,000 compared with 11,507,000, an adjusted gain of 9 p.c. The release of cigarettes was 379,615,000, the total for the preceding month being practically maintained after seasonal adjustment.

Boots and Shoes — Production of leather boots and shoes in the last month for which statistics are available, were 1,729,700 pairs compared with 1,919,000, the index being down to 111.4 from 120.2.

Newsprint, Lumber—Activity in the wood and paper group was nearly maintained, the output of newsprint showing a gain, while exports of pulp, lumber and shingles recorded adjusted recessions. Output of newsprint was 191,452 tons compared with 179,416. The gain in the export of lumber was less than normal for the season, the total being 117,404,000 feet compared with 112,039,000. Exports of wood-pulp were 112,247,500 pounds compared with 126,166,700 and shingles were in lesser volume.

Iron and Steel—Production of steel ingots were 48,496 tons compared with 38,630 while pig iron declined from 30,378 tons to 27,002.

Automobiles—The index of automobile production declined from 37.8 to 26.7, the output in October being 3,682 units.

Building and Construction — The award of construction contracts at $15,014,000 compared with $8,387,000, was the bright spot of the month. The index after adjustment moved up from 30.5 to 53.8, a gain of 76.5 p.c. Building permits were $1,763,000 compared with $2,033,000, the index dropping from 17.9 to 14.7.

Carloadings—The gain in carloadings was less than normal for the season the total being 221,604 compared with 202,459.

Foreign Trade — Total exports at $60,760,000 were greater than in any month since May, 1931. Owing to the high level of the preceding month the gain in October was less than normal for the season. Imports were $41,126,000 compared with $38,698,000, the index adjusted for seasonal tendencies moving up from 70.5 to 71.6.

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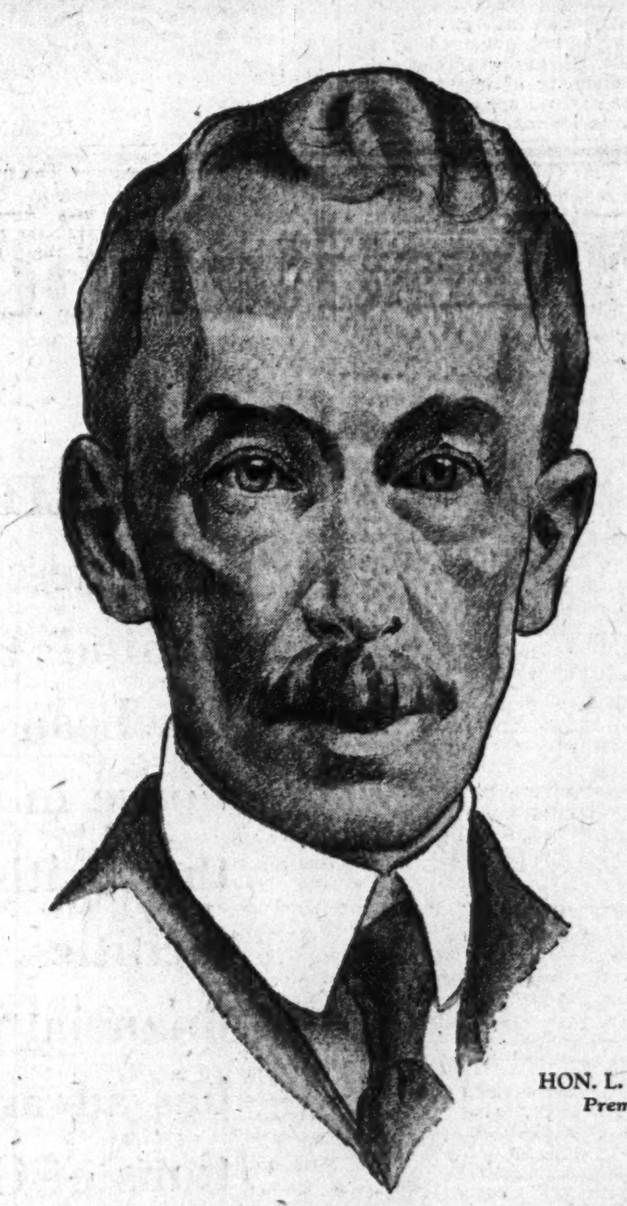

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Julian Smith's Selection of Men Aids Mighty Power Enterprise

Engineering, Education, Finance and Astronomy are Few of Interests Held by Shawinigan's New President

By JOHN LANGDON

No chronicler for the year 1902 would have viewed as important to Canada the move of a young American engineer from Niagara Falls, N.Y., to Shawinigan Falls, P.Q. Viewed in retrospect, however, Julian Cleveland Smith's migration to Quebec was definitely of great significance. For twenty years he has been a leading figure in the amazing development of the Dominion's water power industry and last week he succeeded to one of the highest posts in the Canadian utility field—president of the Shawinigan Water and Power Co.

The Shawinigan company was in its infancy at the turn of the century. A young Boston banker, named J. E. Aldred, and his associates, were pioneering in developing the power resources of the mighty St. Maurice River.

Many and impressive have been the changes since then. Shawinigan has carried out the systematic development of the river until today it has on the St. Maurice and elsewhere more than 800,000 h.p. of developed power; power sites capable of developing an even larger amount, and assets valued above $175,000,000. This record of growth, equalled by few Canadian corporations, ranks the company as one of the world's leading producers and distributors of hydro-electric energy.

Contributed to Expansion

This is Julian Smith's domain, in the creation of which he has been one of the principal contributors. One cannot say Julian Smith developed Shawinigan or that Shawinigan developed Julian Smith: one is the counterpart of the other.

In utility and financial fields his name is well known. Of the man himself, the public has little knowledge. Julian Smith has taken his place in community and public life, for many honors have come to him in testimony of his services. But he is of that type who having done his duty, is satisfied and content to let others seek public acclaim.

Graduate of Cornell

Julian Smith was born in the little town of Elmira, in New York State, fifty-five years ago last month. There he spent his early boyhood. His secondary education was secured at the Central High School in Buffalo. About this time hydro-electric development at Niagara was attracting interest in a wide area centring on the Falls. This interest undoubtedly influenced young Smith in determining his future vocation. When he went up to Cornell, therefore, he elected to take an engineering course. He made a brilliant record at college and in 1900 graduated with a degree in mechanical engineering.

After leaving university he started his career with Wallace C. Johnson, a consulting engineer at Niagara Falls. He began, as have many other young engineers, as a draftsman. Here he remained for two years. In 1902 Johnson was approached to undertake work in connection with Shawinigan's initial development on the St. Maurice River. He accepted and Julian Smith went with him as his assistant.

Grew With Shawinigan

From then on Julian Smith's progress kept pace with the expansion of Shawinigan. In 1903 he became superintendent of operations for the company. Three years later he was appointed general superintendent and in 1909 took on the additional title and responsibility of chief engineer. The next step in his advancement with Shawinigan came in 1913, when he was appointed vice-president, a position which he held until last week.

With the growth of Shawinigan and its expansion into other fields, Julian Smith has been called upon to serve in many executive capacities. He is president of Montreal Tramways—the Dominion's largest privately-owned tram system. He has a similar position with Quebec Power Co., and Shawinigan's numerous subsidiary organizations. Among other offices he holds is the vice-presidency of Dominion Engineering Works and directorships in Dominion Bridge; Montreal Light, Heat and Power Consolidated; Royal Bank of Canada; Montreal Trust Co. and other enterprises.

Julian Smith differs radically from the general public conception of an outstanding executive. His private office is small, yet dignified; on the walls are photographs of various engineering projects with which he has been associated. There is no evidence of the luxuriousness which characterizes so many executive quarters.

Quiet and Reserved

The simplicity of his office surroundings is characteristic of the man. Quiet and reserved, he is not given to venting his opinions on anything and everything. His appearance is slightly academic, heightened, perhaps, by a demoded type of turned-down, stiff collar of impressive height. The professorial pipe, however, is not part of his equipment, having given way to the modern cigarette.

Diversity of Interests

Julian Smith bears the indefinable stamp of an engineer. His life, however, is not governed by the slide-rule. He has breadth of vision and a diversity of interests. His selection as Governor of McGill University is indicative of his interest in educational work. Queens also has honored him with an honorary degree. He takes an active interest in boy work, and is Honorary President of the Boy Scouts Association of Canada.

His profession and its welfare have been of absorbing interest to him. He is an active member of the British Institute of Electrical Engineers; a similar body in the United States and of the American Society of Civil Engineers. He has been especially prominent in the affairs of the Engineering Institute of Canada and in 1928 was elected to the presidency of that body. This is the highest honor which an engineer can attain in Canada. Its conferment on Julian Smith reflects the high regard of his brother engineers.

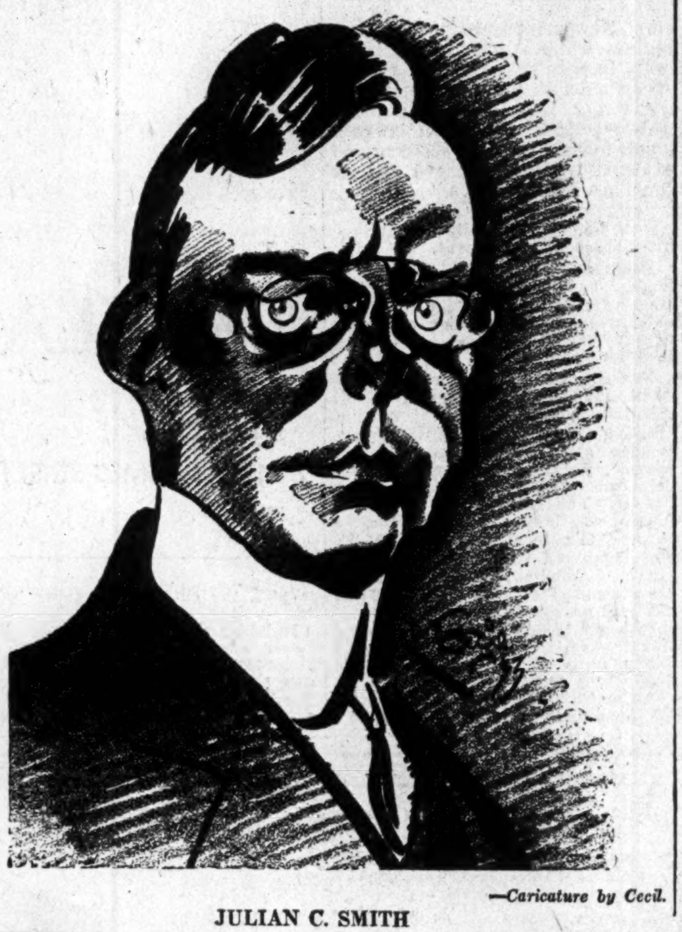
Hobby is Astronomy

With all these activities, both within and outside the Shawinigan organization, his days would seem to be fully occupied. But Julian Smith has time for the occasional fishing trip and golf game. Of his ability as a fisherman or golfer, his friends are non-committal — by which one judges that he fishes and plays golf for the enjoyment and not the score.

But his real recreation and pleasure—his hobby, if so mighty a study may be called by the name—is the study of the stars and with astronomy are linked the two auxiliary subjects of mathematics and photography. On first thought engineering and astronomy seem to be poles apart, but actually his professional training has provided him with the groundwork necessary for the pursuit of this hobby. So in astronomy, mathematics and photography, Julian Smith has consolidated a hobby which has few equals.

Build Up Personnel

By his fine character, simplicity of manner, and varied interests, Julian Smith has drawn to Shawinigan a host of loyal friends and co-workers. The loyalty and close working harmony of the officers and men to the company and its interests is apparent to all those who come in contact with the organization. And to Julian Smith is given the credit for creating and stimulating this enviable spirit which made possible the outstanding growth of Shawinigan.



JULIAN C. SMITH

—Caricature by Cecil.

Preserve Farm Products

So far this year the Department of Agriculture for Quebec has granted 1,138 permits for preserving agricultural products, for commercial purposes. This is an increase of 248 over last year's figure.

Pig Prices and Bacon Sale

Editor, The Financial Post:

Conceding that the export bacon trade under the recent trade agreements should offer one of the best bets in the export trade of farm products may we explain briefly why this export trade has been spasmodic and its expansion difficult.

The ins and outs of the Canadian bacon business and the ups and downs of the hog cycle are matters of fairly common knowledge. Notwithstanding this there are always a few over-optimistic souls who imagine that when each new expansion in numbers is made that this time feeders will stick. Perhaps this was more in evidence during the last upswing in numbers than previously. The logic behind this faith was that the surplus of feed grains available in Canada in 1930 and in evidence since that time was sufficient incentive to expansion of tht business.

Near Import Basis

The year 1930 found Canada perilously close to an important basis in the matter of pork products. The number of swine on farms was recorded as four million in that year, the smallest since 1922. In the early part of the following year Danish bacon was on sale in Montreal at 31 cents per pound. One pound of Danish bacon in Montreal was worth more than two bushels of barley in Saskatchewan and Alberta where barley was worth 13 cents per bushel in 1930.

The possibility of profit from transforming feed grains into a product in greater demand in the market was set forth in some detail in Macdonald College Technical Bulletin No. 8 published in March, 1931, second edition, June, 1931. This pamphlet was well received by both the grain trade generally and the packers. That feeders were aware of this opportunity was demonstrated by an increase of over seven hundred thousand in number of swine on farms in 1931 over the previous year, a record increase. This increase was confined largely to the grain growing provinces.

Bacon Price Declines

The price of grain in the western provinces has been low since 1930. In 1932 barley was worth 13 cents per bushel in Saskatchewan and 12 cents in Alberta while in 1931 it was 21 cents per bushel in both provinces at the farm. The need for some alternative method of getting rid of surplus grain persisted during these years. But what happened to the price of bacon? The weighted average price of live hogs is recorded as follows:

	Winnipeg $ per cwt.	Saskatoon $ per cwt.	Edmonton $ per cwt.
1930	10.60	9.95	10.40
1931	5.80	5.50	5.35
1932	3.60	3.15	3.15

The alternative method of marketing grain through hogs in 1932 has not proved attractive enough to persuade feeders to stay in the business according to the reports to hand for the swine on farms in 1933 as the following figures indicate.

Numbers of Swine on Farms

	June, 1932	June, 1933
Ontario	1,375,100	1,257,900
Alberta	1,118,000	954,000
Saskatchewan	898,000	648,600
Quebec	667,300	481,900
Manitoba	337,900	262,300
Total, five provinces	4,396,300	3,604,700

Fewer Swine on Farms

Reports are not available for the other provinces. The five provinces here included represent the bulk of the business. If these figures are approximately correct the total number of swine reported in 1933 promises to be the lowest number since 1920 when swine were valued at $23 per head, whereas in 1932 the value was given as $4.73 each.

It is clear from the reports now to hand that the number of swine is below the 1930 level when Danish bacon sought the domestic market. The reason for this reduction is the low price prevailing last year. Market price is definite intimation of the supply required. Such is the rapidity with which numbers may be reduced or expanded that price realized definitely decides supplies the following year.

Wages For Farmers

Dr. Allen, of Saskatchewan University, is quoted in The Financial Post of September 28 as saying that with wheat selling at 38 cents per bushel at the farm a loss of 15 cents per hour was incurred for the labor where no charge was made for the land. Just how high a wage rate per hour is possible for the labor entailed in feeding hogs for six months and hauling them to market for $3.15 per cwt. supposing the feed cost nothing we would not care definitely to state. We would hazard the guess that it would be much less per hour than is obtained for relief work provided for the unemployed. The feed, however, does not cost nothing at the farm.

Where hog feeding is carried on as a sideline, as in Denmark, to utilize by-products of butter making, and as it has been carried on in the past in the Eastern Canadian provinces, hogs may be retained to salvage otherwise unsaleable products. In the grain-growing provinces where dairying is not extensive, hog raising requires in addition to suitable grains such as barley a protein supplement (tankage or other substitute) and a certain amount of mill feeds. These cost money.

Further the hog is not a ruminant and therefore not a good rustler but needs attention and must be served with at least four hundred meals to make a desirable Wiltshire side even where feeding twice per day is practised and many feed three times daily. Sometimes after this number of meals has been served the two hundred pound poker sells for from six to ten dollars at the market. Not a very rich gold mine even where and when feed is cheap. Such prices lead repeatedly to lessened numbers as the business of hog-feeding may be liquidated as rapidly as it can be expanded.

Cost of Screenings

When farmer feeders are reducing supplies there is one other possibility of expanding the business which might be worth investigating. Though feed for hogs is seldom worth nothing at the farm there is one place where it is practically that price. That is at the terminal grain markets. The modern system of marketing grain transports screenings as well as marketable grain to the terminals where cleaning takes place. When grain prices are as low as they have been recently, as they now are, or have any prospect of being in the near future, screenings will not bear the cost of transportation. For a considerable time screenings were reported at Ft. William at 50 cents per ton. Recently the reports do not include any quotations for screenings at that point. It has been pointed out that this refuse grain which might be and has been utilized for hog-feed does not make good fuel for locomotives as has been demonstrated by experiment.

If the "pay dirt" of this gold mine is concentrated at terminal grain markets, then, it might be possible to concentrate the hog feeding business at these points. If a gold mine exists anywhere in this business it would appear to be at these points rather than at the farms. Indications are that there is no gold mine in this business. Pretty good evidence of this is furnished by the fact that the important bacon consumers, the British, have depended upon the Danes for so long to furnish their breakfast, even furnishing the Yorkshire breeding stock and the Wiltshire bacon curers to secure the Wiltshire sides.

Feeding hogs in considerable numbers in proximity to terminal grain markets is probably not a very attractive mine of wealth. It would appear to be a possibility worth investigating however for three reasons, namely:

1. Salvaging refuse grain not now being utilized.
2. More firmly establishing an export trade at present not expanded to the limit.
3. Increasing employment.

J. E. LATTIMER,

Professor of Agricultural Economics.
Macdonald College, P.Q.,

Organization of Hog Farmers

Editor, The Financial Post:

I have read with care and a great deal of interest the article regarding bacon exports in The Financial Post of October 14, 1933.

I have only a few comments to make and the first is that Canadian farmers know a great deal better than they practise in this matter of producing high quality bacon. Many of them, from a knowledge due to the hog grading scheme, know just what constitutes a good grade of export bacon hog. Why then their indifference? My candid opinion is that it can be traced back in almost every case to the lack of confidence which they have in our trade. Rapid and apparently unwarranted fluctuations in the price of hogs as paid by the packers, the present low price even for premium hogs as compared with the fairly substantial price for high quality Canadian bacon on the English market, or the comparatively high price paid by the consumer to the retailers in Canada leaves the Canadian farmer, accustomed to raising hogs, wondering!

Another Cause for Wonder

Probably, the beef farmer of the West who is compelled to sell good store cattle at 1½ cents per pound on the hoof, or the Eastern beef finishing farmer who can get no more than $3.60 per hundred for the very finest of finishing steers capable of making red label beef, wonders even more when he sees the still high retail prices of meat in our Canadian stores.

The second thought which occurs to me is that in referring to the field of research you mention the work of the Empire Marketing Board and the work just starting at the Parasitological Laboratory at Macdonald College, but you do not mention the fact that the whole field of hog nutrition has for many years been covered by the vast amount of experimental work of the Dominion Experimental Farms and agricultural colleges which have discovered the relative values of Canadian feeds and have devised rations, etc., for the benefit of the Canadian farmer.

This same system, too, has worked out the problem of advanced registry for Swine in conjunction with the Livestock Branch of the Federal Department of Agriculture, remembering that proper feeding methods without proper breeding are wasted effort.

Moreover, you do not mention that other branch of the Federal Service, i.e., the Health of Animals Branch, to say nothing of the Ontario Veterinary College, which has for years been doing research and service work in the matter of hog parasites. It is this branch of the Federal service which practically cleared out and controlled hog cholera and other swine diseases in Canada.

Organization Needed

I cannot think that it is for want of breeding material or sound information or that it is the presence of parasites, where you may find the reasons for the present situation, although these are important minor factors.

The major factor seems to me to be one of creating an organization of producers, packers and exporters to establish relationships whereby the producer may with confidence increase production and know that he will get the money which he deserves.

"LORD BACON"

Ottawa.
Nov. 16, 1933.

New Outlet for Cod Oil Seen Under New Process

From Our Own Correspondent

SAINT JOHN, N.B.—A new process for preserving vitimins of fresh fish livers without extracting the cod oil from the livers may improve business for the cod oil industry in Canada. Ganong Bros., of St. Stephen, N.B., is using the new product in the form of a chocolate bar, the filler of which is composed of fresh raw fish livers thoroughly mixed with dry cocoa. It is claimed that each bar contains the equivalent vitamin value of one spoonful of cod liver oil. Sponsors of the new process are seeking new outlets for their product as an ingredient of ice cream and other food stuffs.

Price Bros. Bondholders Seek Transfer of Limits

From Our Own Correspondent

MONTREAL. — On behalf of the bondholders of Price Bros. and Co., the Provincial Government has been asked to authorize transfer of the company's limits to them from the trustee of the company in bankruptcy, Hon. Gordon W. Scott. Objection to this was raised by representatives of the shareholders and creditors, however, who asked that there should be a further delay to see if an amicable settlement could not be reached among the parties concerned. No decision has been reached by the Government.

Price Bros. defaulted on bond interest and has been placed in bankruptcy. Plan of reorganization proposed by the Bowater paper interest in London, Eng., was recently accepted by the Bondholders' Protective Committee. This was rejected by Mr. Scott on behalf of junior creditors. Mr. Scott intimated another reorganization proposal was expected from other financial interests. So far this proposal has not been submitted to the creditors or stockholders.

Robert Mitchell Co. Names Two New Directors

From Our Own Correspondent

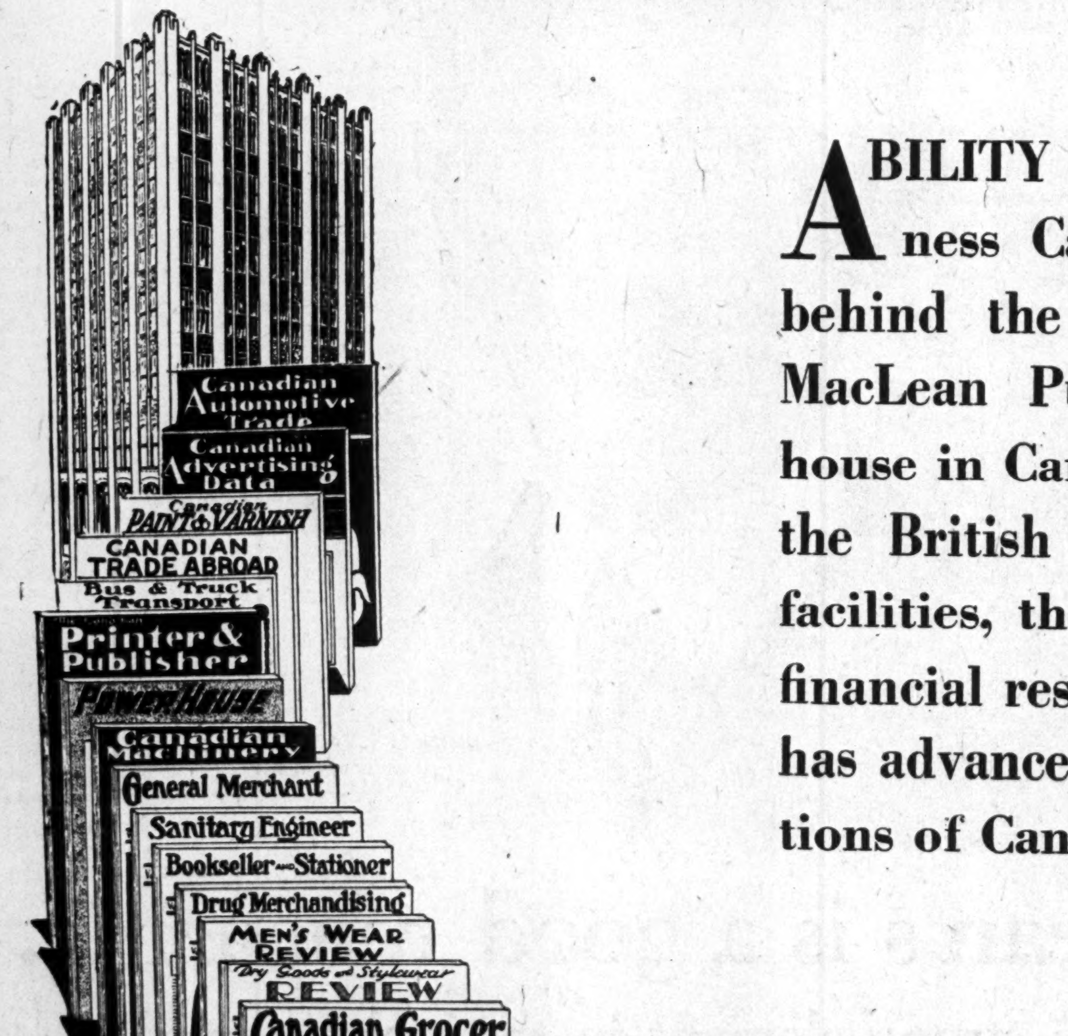
MONTREAL.—Robert Mitchell Co. announces the election of the vice-presidency of J. P. Linton, general manager of the Garth Co., a wholly-owned subsidiary. The board also announce the election of Alfred Broomer, comptroller and secretary, to be a director.

Officers of the Robert Mitchell Co., who are also members of the board, are as follows. Allan M. Mitchell, president; S. C. Holland, vice-president and general manager; J. P. Linton, vice-president, and Alfred Broomer, comptroller and secretary.

The following directors complete the board: Frank B. Common, K.C.; F. Hay; D. I. McLeod and Howard Murray.

Sugar Beets Pulp in Demand

The new bulk storage bins of Canadian Sugar Factories Limited at Raymond are facilitating operations and now contain some 7,000,000 pounds of sugar.



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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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CURRENCY MOVES TEND TO TRANSFER BUSINESS TO U. S.

Can. Debtors Must Pay Sterling Premium, But Are Relieved

BRITAIN MAY LOSE

Easier For Canada to Sell to Empire; Harder For Empire to Sell Here

Rise of the Canadian dollar above par in New York, and the pound sterling above five dollars in Canada have widespread effects on Canadian foreign trade and on Canadian financing. As long as dumping duties are not exacted on American goods, the tendency of the currency fluctuations as regards trade is to turn Canadian purchases from Great Britain to the United States, and to swing Canadian purchases more towards British markets than to the United States.

As regards finance, there is a tendency of the burden of exchange premiums to become lighter on Canadian debtors, most of our foreign-payment bonds being payable in New York. However, there has perhaps been a tendency to exaggerate the benefits of this turn of affairs. Many bond issues which have formerly been regarded as payable in New York, where the premium existed, are also payable in pounds sterling at the holder's option. So premiums on coupons on many bonds may continue to prevail, but because of the sterling-payment, instead of the U.S.-payment clause in Canadian bonds.

Tendencies of Trade

In the last year the tendency of exports to the United Kingdom to Canadian exports has been (1) for increase; (2) for exports to the United States to decrease. The present exchange situation should tend to accentuate both of these, because our advantages in the British markets are increased, and decreased in the United States.

Imports from Great Britain have tended to increase slightly, from the United States to drop sharply, in the last year. The tendency of the exchange situation should be to make it more difficult for British exporters to hold their small gain in the Canadian market, and easier for the United States to recoup Canadian business which has been lost.

Canada's trade with the United Kingdom and the United States, and the trend, are indicated below:

Canada's Trade With Britain and the United States, 12 Mos. Ended Sept. 30

	United Kingdom $	United States $
Exports:		
1933	200,918,297	160,660,398
1932	174,006,315	192,589,380
Imports:		
1933	92,917,561	211,000,000
1932	93,823,234	284,425,658

Involve Heavy Trade

These figures are of particular importance because nearly 75 per cent of our foreign trade is carried on with these two countries. Hence the exchange movements alter the Canadian trade picture in a large degree, quite apart from the fact that Australian, South African and other Empire countries can now buy more readily from us because their currencies have risen. Gold standard countries are similarly situated to the Empire countries, provided that they do not exact dumping duties against Canada, which, of course, is a possibility.

As to Canadian foreign debts, the following table shows where our bonds are payable, according to the estimates of A. E. Ames & Co.:

Where Canadian Bonds Are Payable as at Dec. 31, 1932

	Canada $	United States $	United Kingdom $
Debtors:	000's	000's	000's
*Dominion .	1,953,718	1,016,862	433,816
*Provinces .	420,285	825,654	146,925
Municipal's .	914,541	314,945	93,608
Corporations	329,132	1,095,914	57,338
	3,617,676	3,253,375	731,687
Percentage .	47.6	42.8	9.6

* Includes guaranteed obligations.

As stated above, a substantial portion of the debt shown as payable in the United States is also payable in pounds sterling. So premiums may not be avoided in all cases. Nevertheless, the proportion of debt payable in the United States being over four times greater than that payable in sterling, there is clearly an indication that the decline of the United States dollar is helpful to Canadian debtors.

Other Effects of Exchange

It is noteworthy that the rise of sterling and other Empire currencies also tends to make the Ottawa agreements more nearly effective as far as Canada is concerned. Previously our currency had been further out of line with Empire moneys than at present.

Since the American dollar has dropped further than wholesale prices have risen, the depreciation of the dollar may result in genuine exchange dumping. Until or unless goods prices in the United States rise in price as far as the dollar has dropped, advantages to foreign purchasers in the American market obviously exist.

Outside the trade and financial factors, an important consideration to Canada is the effect of the dollar's drop on our tourist trade. Ordinarily Canada has a large net income from the balance of tourist trade with the United States. The tendency of the exchange situation is to make it less attractive for American tourists to come to Canada and more attractive for Canadian tourists to go to the United States. Canadians wintering in the southern states will be helped. But next summer's tourist business in Canada may be hurt, if the present exchange position persists until that time.

Toronto Exchange Merger is Certain of Approval

Two Toronto Trading Bodies Will Be United January 2

Plan New Edifice

Senior Officers Will Manage New Body In Early Days

Aid Stock Trading

The call has gone forth for simultaneous meetings of the members of the Toronto Stock Exchange and of the Standard Stock and Mining Exchange in Toronto at the close of business on December 5 to consider ratifying an agreement for the merger of the two exchanges. Statements of opinion by members of the two exchanges in conversation with The Financial Post indicate the expectation that the plan will be passed by each exchange with a considerable majority. If ratified, the actual amalgamation would then take place in time so that by January 2 all would be ready for operations of the two exchanges to go on under the aegis of the new exchange to be known as the Toronto Stock Exchange.

The stock exchange resulting from the expected merger would be the largest on the North American continent outside of New York City. In order of size the first three stock exchanges on the North American continent would then be the New York Stock Exchange, the New York Curb and the Toronto Stock Exchange (soon to be formed). There are at present 62 members on the present Toronto Stock Exchange and 51 members on the Standard Stock and Mining Exchange. Each of these members will be entitled to a seat on the new exchange so that there will be 113 seats in all. A certain sum will be set as the price of the new seat and it is stated that the new exchange will start with very strong liquid reserves. It is, of course, a fact that the Toronto Stock Exchange (as at present constituted) has strong reserves. The new exchange, it is understood, will have even stronger resources.

Strong Management Committee

In order that there shall be continuity of management in the formative period of the new exchange and in order that the best regulations and by-laws of both exchanges may be incorporated under the new structure with such adaptations as are needed to meet the changes so rapidly taking place in the financial world, the affairs of the new exchange will be in the hands of a management committee consisting of the four principal officers of both exchanges. These officers have for many months been threshing out all the preliminary details for the new exchange and it is felt that this experienced guidance should be continued after ratification.

The committee of management which will have control of the new exchange until the second Tuesday in June, 1935, when the first annual meeting after the merger of the exchanges for election of officers will occur, will be as follows:

Toronto representatives: Harold Franks, president of the present Toronto Stock Exchange; H. B. Housser, vice-president; F. G. Lawson, secretary and E. Gordon Wills, treasurer.

Standard members: G. W. Nicholson, president of the Standard Stock and Mining Exchange; N. C. Urquhart, a former president and present vice-president; F. J. Crawford, a former president, and Hon. Manning Doherty, a member of the Drury Cabinet when the farmers were in power in Ontario after the war.

Trading Committees Wanted

In order to facilitate a growing intimacy of members of the two uniting exchanges with the problems and machinery and business of the two exchanges, trading committees are appointed. The actual physical merger of the two exchanges will necessarily be a slow one. The legal entities of the Standard Stock and Mining Exchange and of the present Toronto Stock Exchange will give place to that of the new stock exchange known as The Toronto Stock Exchange, but business will be carried on as usual in all its physical aspects. The Toronto Stock Exchange floor will have much the same trading members as before and the Standard Stock and Mining Exchange floor will be as active as usual with the same members busy.

Neither building is large enough to house both groups and, therefore, business will be carried on in the same places as usual until arrangements can be made to do things better.

In the meantime the necessary unity between operations of the two floors will be secured by two trading committees. One subcommittee will be on the Standard floor and consist of three members of the present Standard Stock and Mining Exchange and two members of the present Toronto Stock Exchange while on the floor of the present Toronto Stock Exchange there will be three members of the Toronto Stock Exchange and two members of the former Standard. These two sub-committees will be responsible to the management committee of eight members.

Shares Listed 617,000,000

There are now 170 regularly traded mining and oil stocks on the Standard Stock and Mining Exchange and 235 different stocks traded in on the Toronto Stock Exchange. On the two exchanges there are altogether 617,000,000 shares listed and trading in about two-thirds of these is on the Standard Stock and Mining Exchange. All of the latter are mining shares and most of them concern stock of $1 par value or of no par value while on the Toronto Stock Exchange there are many shares which are of $100 par value or which, though of no par value, are traded in at fairly high figures. Share totals look comparatively small but the actual valuations of shares listed on the two exchanges are just about the same.

For that reason the trading volume, as measured in shares, is much larger on the Standard Stock and Mining Exchange while the higher valuation would probably mean that the actual turnover on the Toronto Stock Exchange might be in times, when both are active, about the same. The actual valuation of stocks traded in on the Toronto Stock Exchange cannot be given as this has not been calculated. The following table, therefore, shows only the trading volume in shares for the Toronto Stock Exchanges while the trading volume and value are both shown for the Standard Stock and Mining Exchange. The table shows the great and growing importance of the securities business of these two exchanges until the depression and the prospect of revival:

Trading Volume

Standard

Year	No. of Shares	Value in $
1909	36,675,802	17,110,722
1914	12,724,687	4,199,223
1919	39,626,135	12,551,112
1927	320,490,140	250,897,081
1928	333,538,932	614,808,561
1929	300,830,413	710,308,184
1930	90,493,311	139,870,964
1931	121,252,065	85,730,713
1932	79,731,11[illegible]	54,746,214
1933 (10 mo.) ..	231,927,119	283,248,075

Toronto

Year	No. of Shares	Bonds in $
1909	1,516,221	3,659,700
1913	935,968	1,001,700
1919	1,579,148	†60,468,450
1927	13,856,623	279,082
1928	17,489,808	122,932
1929	18,569,056	66,550
1930	9,662,987	20,750
1931	5,675,205	15,700
1932*	3,238,478	9,800
1933 (10 mo.) ..	9,185,930	20,000

†Big War Loans. *Delisting of mining stocks caused 1932 drop.

Old Contracts Respected

Old contracts for distributing data on sales and quotations made on the present exchanges will necessarily be respected. The Toronto Stock Exchange's arrangement with the Bell Telephone Company has still 18 months to run and the Canadian National Telegraph Co. has a long term contract with the Standard Stock and Mining Exchange.

The public will receive their quotations in much the same form as they are accustomed to at present except that the name of the Standard Stock and Mining Exchange will disappear and information on mining sales and quotations will emanate from the mining section of the new Toronto Stock Exchange.

Claimed Merger is Necessary

Representative members of the two stock exchanges, in conversation with The Financial Post, were inclined to talk of the proposed merger as though it were already an accomplished fact. They stated their belief that it is necessary in these times for every live financial organization to demonstrate that it deserves continuing confidence from the investing public by providing the very best machinery possible to serve the public. They believed that its prestige will be higher than any institution yet created in Canada for the sale of securities and that the new regulations will help to enhance that prestige and show the new institution as deserving of public confidence.

Broker members agreeing to the proposal in many cases have given adherence because they are looking much more to the future than to immediate advantage. One of them states his belief that the mere creation of a central bank for Canada will make it necessary for investment bankers in Canada (or at least in Toronto which is credited with doing about 80 per cent of the bond business in Canada) to get together and form a bond exchange. Only by such a measure, the argument runs, can Canadian investment bankers legally get the business of a central bank and they would be forced to organize to get that important business as operations of a central bank have a great deal to do with the sale and purchase of high-class bonds. Some of the brokers even went so far as to suggest that the bond exchange, once going and flourishing, might in years to come merge with the new Toronto Stock Exchange for the benefit of all.

Stock Exchange Building Mooted

Moreover, in the first period of really active prosperous business in Canada it is very likely that the new exchange will construct a large building adapted in all particulars to the work of the exchange and large enough to house all or most of the 113 members who would desire the modern facilities that would be created in this building.

Brokerage Mergers Expected

One of the first fruits of the merger, it is expected, will be a series of mergers of private brokerage concerns. For example, houses which are now members of the Toronto Stock Exchange will unite with houses that are now members of the Standard Stock and Mining Exchange wherever it is found that there will be advantage in such a union. One of the principal reasons for such mergers of houses will be that it will house under one roof the experience gained in the securities business of both concerns.

Higher Standard Sought

Members of both exchanges tell The Financial Post that they expect there may be developed in the new exchange a higher standard throughout. The bylaws and regulations of each exchange have developed out of its experience and the particular classes of securities in which it deals. The new bylaws and regulations of both exchanges will contribute their best features to the new. The first bylaws and regulations will be those attested by experience. There will be much more to do but it has been generally thought advisable to complete the union first and gradually to work out a set of rules and bylaws which will stand the test, not only of the present time but of the great changes which apparently can be expected in financial machinery the world over.

Certain members of the executives of both exchanges also express the view that it should be of continuing advantage to the new exchange to have had such close co-operation with Colonel Drew, Ontario Securities Commissioner, in the various meetings which preceded the agreement. They realize that the public interest must be represented more and more in activities of exchanges and it is of great value to them to have someone who is thoroughly familiar with every aspect of the question. It has also been a good thing that in discussions they have been kept continuously apprised of the viewpoint of an official charged with looking after the public interest. At the same time the members expect from the mere size of the new exchange greater economy and less dominance by the larger operations of the New York Stock Exchange and the London Stock Exchange.

Audits Remain

It is prophesied that the new exchange will be able to do many things in the course of time which under present conditions neither exchange separately has been able to do. Especially if a Toronto bond exchange is formed and there should be a merger later on, it is felt that an exchange of such strength would develop that it would be respected all over the world and would form an admirable body to work with the Central Bank of Canada in international operations especially with Great Britain and United States.

Much attention has been given in the past to the fact that the searching audits instituted in 1929 proved of great advantage to members of these two exchanges. It has been commented upon very often in the press that as a result of that timely action no Toronto Stock Exchange member failed during the stresses of the depression and certainly no member retired from the exchange without the interests of the clients being taken care of. The Standard Stock and Mining Exchange also had a creditable experience in this regard once it was free from the entanglements of 1930.

It is understood that in the new exchange the audit of various members' accounts will continue along the lines which have made them so effective in the past. It will probably be under one directing head. G. T. Clarkson has been in charge of this work for the Toronto Stock Exchange and has the right to look at any members' accounts at any time which seems fit to him. Weak situations discovered early in 1929 were corrected before the 1929 stock exchange break. Apparently it is expected that Mr. Clarkson will be in control for the new exchange, assisted by the firm which conducted like operations for the Standard Stock and Mining Exchange.

It is insisted on by executives of both exchanges that the two exchanges enter into the new arrangement on a perfect equality and that there is no question of dominance of one over the other.

Draft Agreement Ready

Both management committees of the two exchanges have called meetings for 3.15 p.m. on December 5 "to consider and, if deemed advisable, to authorize and approve a proposed agreement between the Toronto Stock Exchange and the Standard Stock & Mining Exchange for amalgamation of the two exchanges in the manner and terms set out in the draft agreement, which will be presented to the members at the meetings."

Under the call to these special general meetings by order of the management committees, members are told certain details of the manner in which the amalgamation will be effected, "The Toronto Stock Exchange to increase the number of its members to 113 by the creation of 51 new seats and the new memberships will be recorded in the names of the members of the Standard Stock & Mining Exchange."

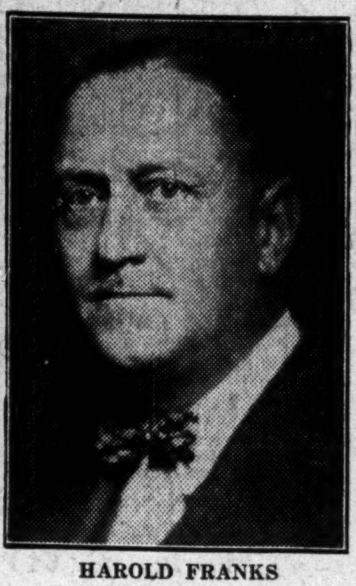
The terms of the draft agreement will naturally be of great interest but it will incorporate the rights to discipline already held on both exchanges and make necessary the approval by the management committee of "the financial position of the members of each exchange."

The meeting in the case of the Toronto Stock Exchange is also "for the alteration of the bylaws, rules and regulations of the Toronto Stock Exchange in regard to trading commissions and other matters of detail provided for in the draft agreement, the whole in accordance with the terms and conditions of said agreement; to pass such bylaws and regulations; to take or authorize the taking of such other steps and proceedings as may be necessary or desirable in the premises; to transact such other business as may properly come before the meeting.

Leaders in Stock Exchange Merger

G. W. NICHOLSON
President, Standard Stock and Mining Exchange.

COL. GEORGE DREW
Securities Commissioner for Ontario.

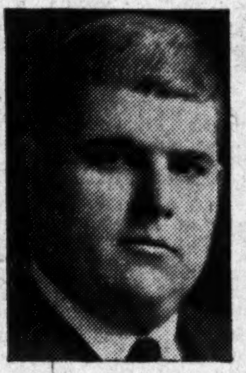


HAROLD FRANKS
President, Toronto Stock Exchange.

F. B. LAWSON
Secretary,
Toronto Stock Exchange.

H. B. HOUSSER
Vice-President,
Toronto Stock Exchange.

MANNING DOHERTY
Member of Standard Stock and Mining Exchange.



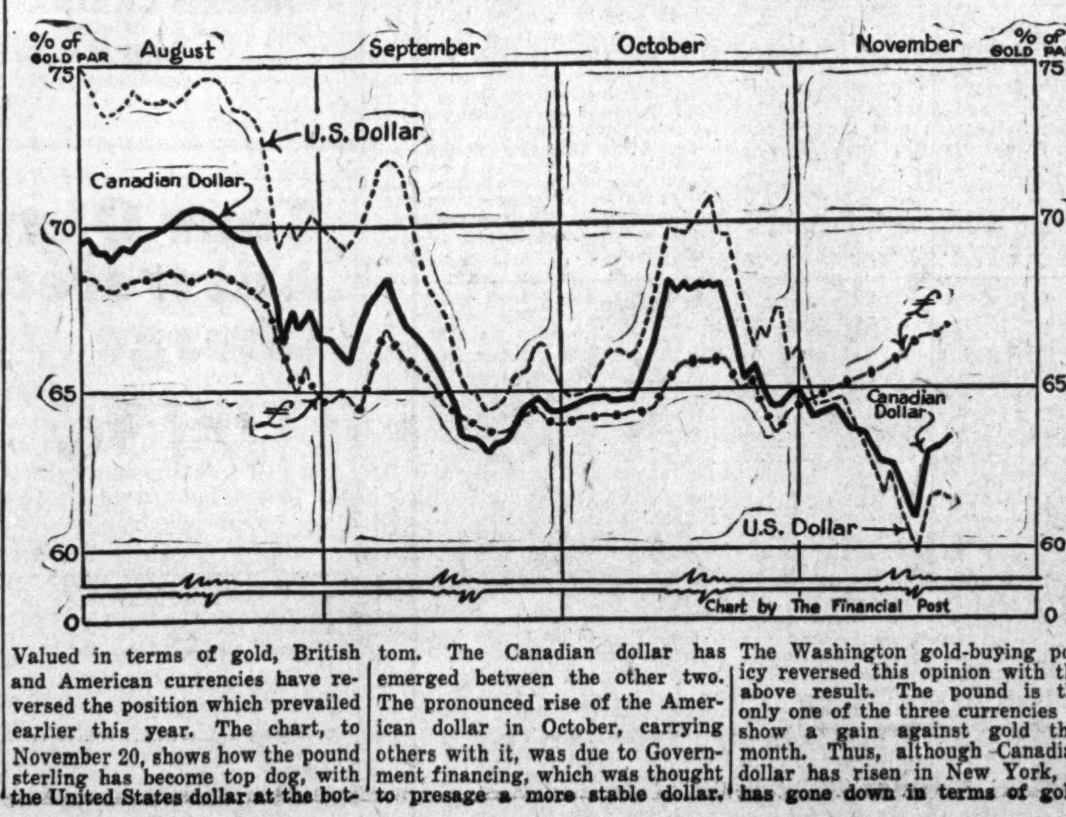
N. C. URQUHART
Past President,
Standard Exchange.

This group shows eight members of interim management committee which prepared draft agreement for merger of Toronto Stock Exchange and Standard Stock and Mining Exchange and who will likely be in charge of affairs of new exchange until first annual meeting in June, 1935. Col. Drew's photograph is included because he attended all meetings throughout merger negotiations and probably will continue to do so until final objectives of merger are accomplished.

E. GORDON WILLS
Treasurer, Toronto Stock Exchange.

F. J. CRAWFORD
Past President,
Standard Stock and Mining Exchange.

Currencies Reverse Former Positions



Valued in terms of gold, British and American currencies have reversed the position which prevailed earlier this year. The chart, to November 20, shows how the pound sterling has become top dog, with the United States dollar at the bottom. The Canadian dollar has emerged between the other two. The pronounced rise of the American dollar in October, carrying others with it, was due to Government financing, which was planned to presage a more stable dollar. The Washington gold-buying policy reversed this opinion with the above result. The pound is the only one of the three currencies to show a gain against gold this month. Thus, although Canadian dollar has risen in New York, it has gone down in terms of gold.

U. S. Farmers Revolt As Prices Still Lag

Discontent Grows as A. A. A. Fails to Offset Harsh Effects of N. R. A. on Farm Areas

By DR. GAINES T. CARTINHOUR,
New York University

NEW YORK. — Wall Street is watching closely the agricultural dissatisfaction in the West, Northwest and Southwest. The unrest among the farmers in these territories has also doubtless attracted the attention of many Canadian observers of American developments. Farmers were temporarily pacified by the passage of the Agricultural Adjustment Act with the Thomas rider attached, but recently awakened to the fact that their problems are far from solved. Threats of a farm strike, coupled with sporadic picketing of farm trucks, an embargo on wheat declared by the governor of North Dakota, and a bolt from the N. R. A. led by Governor Bryan of Nebraska, all indicate the dissatisfaction of the farmer.

This unrest is due in part to the failure of the farm relief experiments of the A. A. A. to raise prices of farm products to the level desired by the farmers, and in part to the belief of the farmers that the N. R. A. is proving harmful to them by raising their relative living costs much beyond the standard of farm prices. According to an authoritative study that has been made, while the farmers' gross income has increased 24 per cent, industry's increased earnings for the first nine months have amounted to 160 per cent, and those of the railroads to 60 per cent. However, labor has fared even worse than the farmer. Though by September payrolls had risen over 60 per cent from the March low, their showing for the nine month period of 1932 was really 3.2 per cent lower than for the corresponding nine months of 1932.

Embargo Aided Canada

Indications are that the North Dakota wheat embargo is breaking down. The step was without point, in the first place. Designed to help farmers in the State, it could only do them harm. There is too much wheat in the country and in the world for those outside the State to worry much whether or not shipments are possible from North Dakota. Canada seemed to get such benefits as there were in the development. Incidentally, there should be a court decision to determine if a State can tie up the transportation of goods, including the necessaries of life.

Secretary of Agriculture Wallace's swing around the circuit indicated he has very extraordinary views. He referred to the Administration's agricultural programme as "only a faint foreshadowing of some of the things which ultimately will be necessary." Actually, it is not only already extreme but on a scale never before tried in the United States. Furthermore, he pointed out, "We have set upon a process which is bound to alter our entire agricultural structure and effect a rational resettlement of America." Under the plan all submarginal land is to be taken out of production and each acre is to be under control. Those taken off submarginal land will be located on more fertile tracts.

Cost of Living Up

It is difficult to imagine such a Utopia. The problem is so gigantic from a practical point of view that it is hard to imagine such a prominent official seriously advocating it. He also apparently believes that the cost of living in cities has not been increased because of the processing taxes imposed under the agricultural programme. In my opinion, there is no doubt whatever that the imposition of processing taxes has increased the cost of living. Space limitation does not permit further discussion of this point.

Plans under the A.A.A. for cutting production have thus far had disappointing results. Farmers are planting so much more wheat that the Government's attempt to reduce acreage for next year will almost be a complete failure. Furthermore, you can never tell what the yield per acre will be. For example, a large part of the cotton acreage was supposed to be "plowed under" this year, yet the cotton crop is apparently just about as large as was expected originally.

No Net Gain to Farmer

To date the A. A. Administration has announced a programme including processing taxes on wheat, cotton, tobacco, corn and hogs purchased by domestic fabricators, and yet the farmer can justifiably state that the increase in cost of a product caused by such a tax does not represent a net gain to him, as he has had to curtail his output by an amount proportional to any benefit received.

Resort to the processing tax principle has created another unexpected difficulty, namely, a demand for a comprehensive series of compensatory levies to prevent such taxes from curtailing consumption of the commodities they are supposed to help. Major changes in industry naturally should be expected to require other offsetting changes. Competitive conditions between hogs, grains, cotton, etc., must be equalized in order to satisfactorily raise prices of same. The A. A. A. authorities have stated such taxes will be given careful consideration. Price differentials are being blamed for a decreased demand whereas lack of confidence on the part of purchasers in future business prospects is probably the more immediate reason. For example, the tax on cotton is reported to be hurting that fibre's position as against wool, rayon and other competitive items. Accordingly, it has been necessary to gather the necessary data to prove the need for compensatory textile levies.

Price-fixing Fallacies

The indifference of the administration to the demands of western governors for price-fixing on agricultural products has not helped the temper of the corn belt and other farming sections. However, the experience of the Federal Farm Board in wasting millions of dollars in vainly trying to hold up wheat and cotton prices during 1929 and 1930 should not be forgotten. Price-fixing is a dangerous path for any government to tread if past experiences are any guide. There are even present-day examples worth considering, i.e., Germany and France. France guaranteed domestic producers of wheat a price far above the world level, basing it on restrictions that made imports almost impossible. The result is that France now has more wheat than can be consumed and the Government is having a hard time to find the revenue to meet and maintain the guarantee. Simultaneously, domestic prices have increased sufficiently to cause discontent among the population. The German experiment has reached the point where it is necessary for the Government to take charge of agriculture.

No Room for Reciprocity

Commodity prices cannot be raised without a corresponding increase in purchasing power. The price that any individual will pay for any commodity depends upon how much money he has to spend, how much he desires the article, and the readiness of the owner to sell. That is only another way of stating the law of supply and effective demand.

Under such circumstances, usually negotiations could be reopened with other countries for mutual reductions in tariffs and other import barriers, but such a programme could not succeed at present with widely fluctuating exchange rates, and the intensely nationalist policy now in vogue at Washington. Fortunately, recognition of Russia will probably help cotton.

The political seriousness of the situation is not under-estimated by the administration. Unless the agricultural problem is satisfactorily handled by January, Congress will probably take matters into its own hands and criticize the administration as being too conservative.

Future Trend Of Insurance Is Confirmed

Important changes in the field of life insurance, which have been forecast in The Financial Post in recent weeks, were confirmed officially last week at the annual meeting of the Canadian Life Officers Association.

In his presidential address, J. H. Lithgow, general manager of the Manufacturers Life pointed to some of the results which he thought were likely to occur as a result of the lower earning power of life companies in the past year.

His remarks in this connection were as follows:

"Among the effects of this situation which may possibly be reflected in the statements of the companies for the current year will be a reduction in the rates of interest earned on their invested funds. In consequence of this some diminution of surplus interest earnings may be anticipated. As a result, action by the companies is likely to be taken in different directions.

"The rates charged for annuities will probably be increased, such increases in the case of some companies having already been published. Rates charged by the companies for non-participating business will likewise be carefully reviewed with the possibility of increases being made in them. Furthermore, there will be a tendency toward reduction in the rate of interest allowed by companies on policy proceeds left with them by beneficiaries and holders of maturing policies.

"Such action, if taken, will not be inconsistent with the general movement to revise downward the interest rate structure in Canada as already evidenced by the alteration in rates allowed on savings banks' deposits, Government securities, etc."

War on Waste

Entertainment of various persons is shown in the public accounts of Saskatchewan for 1931-32, the latest available. Among the items are:

Entertainment of:	$
Delegate to the relief conference —Assiniboia Club	35
Overseas Education League— D. Ferris	32
Canadian Chamber of Commerce —Hotel Saskatchewan	812
Fiscal agents—Assiniboia Club ..	4

Of course these items are small. This column has been dealing with matters in which millions of public money have been wasted by governments. The significance of the items shown here is that they are characteristic of thousands of small items of waste by Canadian governments. Multiplied by thousands they make large sums.

A striking contrast is shown in two of the above items. Entertainment of a delegate to the relief conference at the Assiniboia Club cost $35, compared with $4.20 for entertainment of fiscal agents at the same club. Perhaps the larger cost for entertainment of the anonymous relief delegate is a reflection of a more joyous gathering of all concerned, than in the entertainment of fiscal agents.

NEWSPRINT MEN DEFER FINAL ACTION

Temporary Agreement is Extended to End of Month

MEET OBJECTIONS

Propose Splitting Canadian Pool Between Price, St. Lawrence and Donnacona

From Our Own Correspondent

MONTREAL. — American, Canadian and Scandinavian newsprint manufacturers, or their representatives, who met in Washington last month at the invitation of General Johnson to discuss how best they could co-operate under the terms of the Newsprint Code, renewed their discussions in New York last week and again agreed to carry on until the end of the month under the temporary agreement.

At the initial meeting of manufacturers, the whole newsprint situation was reviewed and it was agreed to abide by a temporary price structure pending permanent adoption of the schedule. This was necessary inasmuch as a few of the manufacturers were not wholly in agreement. At the same time it was considered desirable to set up an organization in Canada similar to the code authority in the States.

Following the October meeting, the Canadian manufacturers held several meetings in Montreal. The outcome of these meetings was the formation of the Newsprint Export Manufacturers' Association of Canada. The aims of this newly created association were much along the lines of a similar organization formed by the American producers, namely, to establish a minimum price schedule and adopt a fair code of competition.

Take Care of "Shorts"

The principles of this association were adopted by all the Canadian manufacturers, with certain reservations. Several felt that they could not in justice, to their security holders, agree to abide by a set standard of rules or price schedule, when they had the opportunity of securing badly needed business even if such had to be taken at a price under the prevailing market. Certain companies have been and are known to be "short of tonnage," while others are "long of tonnage." In other words some producers are operating far below the average for the industry as a whole.

Representatives of these companies took the stand that their support of a code or an agreement would only mean protecting and consolidating the position of those companies "long of tonnage." This they were not willing to do without adequate compensation.

Split 50,000 Ton Pool

To the end of meeting this objection and securing the support of all manufacturers to the proposed association, it was proposed by International Paper to create a pool or fund of 50,000 tons of newsprint for distribution to those companies "short of tonnage." International is said to have agreed to underwrite the whole amount, putting up 30,000 tons itself and hoping to get the balance of the tonnage from other producers with better than an average volume of business on their books.

This pool of 50,000 tons, according to plan, was to be distributed in the following manner: 25,000 tons to Price Bros. & Co., 20,000 tons to St. Lawrence Corp., and 5,000 tons to Donnacona Paper Co.

Will Meet Again

At the recent New York meeting the Canadian and American situation was gone into fully. It would appear that conditions were not altogether propitious for the adoption of a permanent agreement and matters were allowed to rest as they were until the end of the month when the manufacturers will again meet to talk over the situation and possibly come to an agreement.

Conditions Are Improving

Meanwhile conditions in the United States and Canadian newsprint industry is slowly, but definitely undergoing an improvement. Since mid-year the volume of production and shipments have been on an increasing scale. At the end of October the cumulative output of Canadian mills this year was ahead of 1932. The same statement applies to shipments. The American mills had not done as well, but returns in recent months had been decidedly more encouraging.

Many of the newsprint producers feel more confident that the industry has turned the corner. The improvement in production and shipments reflects the improvement in advertising linage in the American key cities. Inasmuch as the American publishers consume all the domestic production and over 80 per cent of the Canadian output, advertising linage reports are considered an excellent barometer of the trend of consumption of newsprint.

Advertising Picks Up

Since last June advertising linage records of metropolitan dailies in 52 American cities, compiled by Media Records Inc., have been definitely on the upgrade. In August the total was greater than for the same month a year ago. September was practically on the same level, while October recorded the second monthly increase in 1933 over 1932. The gain in this period was 2.6 per cent.

With the trend of newspaper advertising upward, and this means larger consumption of newsprint, many of the manufacturers do not desire to commit themselves to any hard and fast agreement. The prospect of re-establishing their operations and finances through the natural increase in consumption does not make for unanimity of opinion among the manufacturers as to the effectiveness of a code or agreement in re-establishing their positions.

Manitoba Telephones Increase

October was the biggest month in the history of the Manitoba telephone system as far as new subscriptions were concerned it was stated the other day by J. E. Lowry, commissioner. During October 1,605 new telephones were installed.

Wheat

From Our Grain Correspondent

Dull Market

ALTHOUGH the wheat market runs into occasional days of fairly heavy export business, when exchange variations momentarily create a good opportunity for closing transactions, the tone of the wheat market is dull most of the time. British and European buyers are still holding off as much as possible, not only because of the uncertainties of exchange, but because they desire to see the outcome of Southern Hemisphere crops.

The Argentine appears still to have the makings of a fairly large crop, although there is still a chance of a good deal of damage, and on several occasions fears have been expressed that disease may cut down the crop materially.

Australia's already poor prospects have been further damaged by wet weather for the harvest, which is just beginning.

* * *

Lake Shipments Light

IN SPITE of the imminence of an early closing of navigation on the Great Lakes, shipments of grain down the lakes remain fairly light. Vancouver, on that account is hoping for a substantial improvement in business out of that port in the near future, and already bookings of space there are picking up. United States subsidized wheat from the Pacific coast is making its appearance in Europe, upon a market already glutted with soft wheat, upsetting the former theory of the Government of that country that they could export wheat in this manner without damage to market prices.

Public interest in grain, both in Chicago and in Winnipeg remains at a low ebb. United States traders are showing less than usual interest in Winnipeg wheat, apparently because monetary developments have left them at sea as to the meaning of price fluctuations. The southern market is nervous about corn, as heavy marketings of livestock show an unwillingness on the part of farmers to buy corn for feeding purposes to the usual extent. The Government is now offering to lend to farmers 45 cents a bushel on corn stored on farms, which means considerably more than 50 cents a bushel at Chicago, and is well above current market value. True, a big decrease in corn acreage is planned for next year, but it will be nearly a year from now before such a cut if made will influence actual supplies. Some small quantities of Durum wheat have been worked to the United States, in spite of the duty of 42 cents a bushel, as that type of wheat is scarce south of the border, and it has been selling well above bread wheat prices.

MONTREAL POWER REPORTS ADVANCE IN POWER DEMAND

Sales for 1933 Likely to be Slightly Under 1932 Total

From Our Own Correspondent

MONTREAL. — More favorable trend in the consumption of electric energy on its system is reported by Montreal Light, Heat and Power Consolidated since the middle of the year. The loss experienced in the first half of 1933 in comparison with the same period of 1932, however, has not been fully recovered and expectations are that power sales for 1933 will fall about 5 per cent below those reported for 1932.

The company's output first began to show some signs of expanding around the end of June, but it was not until the fall months that output figures registered a favorable trend. In the past 10 weeks gains have been shown in the weekly returns with some consistency, and the position now is that whereas in the early summer the cumulative total of power output was at one time 11.42 per cent below that at the corresponding date of 1932, by November 11 the cumulative total was only 6.90 per cent below that reported a year ago.

Share Earnings at $1.75

Last month John S. Norris gave it as his opinion that the trend of earnings for 1933 indicated share profits on the common stock of about $1.75 or better. This is after all charges, including taxation, depreciation and bond interest. Last year the company reported $1.95 a share, which compares with dividend disbursements of $1.50.

Trade Shows Good Gain In October

Domestic imports in October were of the value of $60,214,000, and imports $41,126,000. Exports were an increase of $3,558,000 or 6.7 per cent over October last year; imports were an increase of $4,031,000 or 10 per cent.

Also the October export was the largest monthly since December, 1930, when the total was $66,820,000. The October imports were the largest since May, 1932, when they were $44,361,000.

The improvement in Canada's total trade which began in May has continued during the succeeding months. The total trade of the Dominion for the period April to October reached the total of $570,295,000, a gain of 3 per cent.

Cumulative Total Higher

Domestic exports for the seven-month period totalled $325,623,000, an increase of 12 per cent. Imports amounted to $241,312,000, a decrease of over 6 per cent. Re-export of foreign merchandise aggregated $3,360,000, a decline of 22 per cent.

Canada's trade balance for the first seven months of the current fiscal year was favorable to the extent of $87,671,000 compared with $36,271,000 in the same period last year, an improvement of $51,400,000.

Grain and Milling in Canada

CANADA MALTING PROFITS JUMPED AS EXPORTS GREW

New President Considers New Business of Doubtful Permanence

STILL HOLDING

Used Additional Profits to Increase Depreciation Reserve and Strengthen Liquid Position

Canada Malting Co. operating profit jumped to $605,582 in the year ended July 31, 1933, from $404,551 shown in the preceding eleven months due mainly to an exceptional increase in export business mainly due to the change over from prohibition in the United States. A. C. Matthews, president, in report to shareholders, states that 42 per cent of the total sales was due to new export business. He considered the permanency of this business doubtful due to possible tariff changes and adverse legislation by foreign countries. The additional profits were therefore utilized in increasing the reserve for depreciation of fixed assets and in strengthening working capital.

Operating profit, as shown in the income statement, is equivalent to $2.01 a share on the 198,972 no par value shares outstanding after deducting $150,000 for depreciation. It would be $1.61, if one also deducted the $78,760 further sum transferred to depreciation reserve of former years, but it would have been about $2.30 a share if deduction for depreciation reserve had continued at the rate of $100,000 as shown in recent years.

INCOME AND SURPLUS ACCOUNT
Years Ended July 31

	1933	*1932
	$	$
Net earnings	605,582	404,551
Less: Deprec.	150,000	100,000
Income tax res.	57,470	28,150
Net profit	398,112	276,401
Less: Dividends	298,516	223,888
Surplus for year	99,596	52.513
Add: Prev. surp.	317,270	264,757
Less: Addit. deprec. prev. year	78,759	......
Balance forward	338,107	317,270

*11 months only.

Good Business Continues

The good business reflected in the foregoing table is still continuing in the current fiscal year. It is also satisfactory to note that it enabled the directors to improve the already strong working capital position as shown hereafter:

WORKING CAPITAL

	1933	1932
	$	$
Current assets	2,002,603	1,672,960
Current liabilities	141,482	55,013
Working capital	1,861,121	1,617,956
Ratio	14.15—1	30.41—1

Liquids Grow

The liquid position was stronger on July 31 last, cash having gone up during the preceding year from $85,900 to $95,788, guaranteed call loans and loans secured by collateral from $225,000 to $445,000. Accounts and bills receivable increased from $359,621 to $456,723 and inventories at cost were maintained at $1,005,092 in spite of the spurt in demand from other countries.

Accounts payable, because of the increased tempo of business went up from $30,113 to $84,483 and income tax reserve from $25,000 to $57,000.

Fixed assets of $4,414,098 by reason of increased write-offs during the year to depreciation had value after depreciation reduced from $3,882,777 to $3,662,360, buildings plant and equipment constituting the greater part of these assets. Reserve is now one-sixth of balance sheet valuation.

During the year the former president, Wilmot L. Matthews, and James L. Love, who had been with the company from its inception, were removed by death. The new president, A. C. Matthews, had been in charge of the management for some time and there has therefore been continuity in management and policies. J. P. Heighton was appointed secretary.

GEDDES IS CHEMIST FOR GRAIN BOARD

Takes Charge of Winnipeg Laboratory — Is Well Qualified

Dr. W. F. Geddes, B.S.A., M.A., M.S., B.Sc., has been appointed chief chemist to the Board of Grain Commissioners and has assumed charge of the Grain Research Laboratory in Winnipeg. Mr. Geddes succeeds Dr. F. J. Birchard who retired recently on account of ill health.

From June, 1925, to September, 1933, Dr. Geddes was Professor of Agricultural Chemistry at the University of Manitoba. His experience has been wide both in the commercial and economical field. He is recognized as one of the leading cereal chemists on the continent and has devoted a great deal of time to conducting fundamental and applied researches in the field of cereal chemistry.

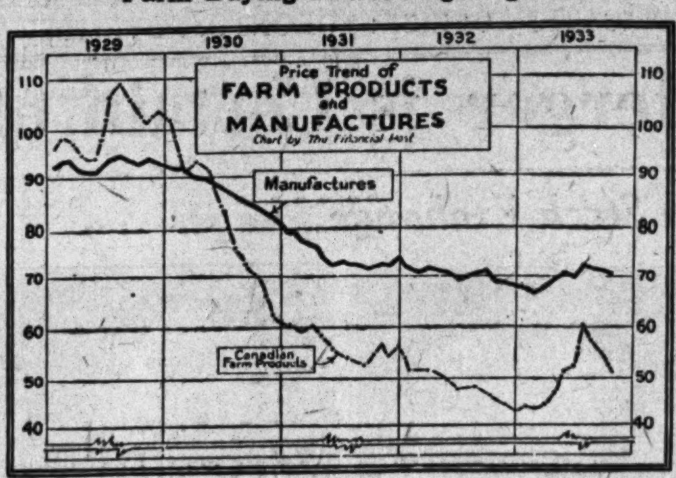
He is secretary of the Association Committee on Grain Research, National Research Council of Canada and has collaborated in studies including wheat drying, milling and basic qualities of standard wheat varieties.

Elected Director

D. CAMPBELL MacLACHLAN

Who has been elected a director of Maple Leaf Milling Co., of which he has been general manager for two years. Before that he was general manager of Western Grain Co.

Farm Buying Power Sags Again



It was good news for farmers and business generally in Canada when the gap between farm and "city" prices started to close a few months ago. Recent declines in farm prices, however, have widened the gap again. The lower line is the price of Canadian farm products as computed by the Dominion Bureau of Statistics. The upper line is the price of fully and chiefly manufactured goods in Canada.

Plenty of Storage Room Despite Giant Carry-over

Survey by The Financial Post Shows Canada's Granaries Only 64 Per Cent Full Despite Huge Surplus

Although visible supplies of grain in Canada in recent weeks have been at record levels, there is little danger of lack of accommodation in our country and line elevators, according to a survey made by The Financial Post.

An actual check-up of grain storage in all parts of the Dominion in relation to total storage capacity reveals that elevators even now are only 64 per cent filled.

Highest at Fort William

The highest ratio of storage to capacity is at the Fort William-Port Arthur elevators where 76,500,000 bushels of grain are now stored. Total capacity is only 92,600,000 bushels which means that these big granaries are filled to within 83 per cent of capacity.

The best situation is found in the Manitoba country elevators, which, with 12,718,000 bushels of grain are only 55 per cent occupied, and in the public and semi-public interior elevators which are only 34 per cent filled at the present time. Churchill also seems to have plenty of room being only 26 per cent filled just now.

The Canadian Picture

The following table prepared by The Financial Post from figures supplied by the Dominion Bureau of Statistics shows exactly how the Canadian picture looked at a recent date.

	Capacity (Bushels)	Total Grain in Store at Oct. 20, 1933 (Bushels)	Ratio (%)
Western Country Elevators:			
Manitoba	23,115,850	12,718,183	55.0
Saskatchewan	102,327,050	58,562,465	57.2
Alberta	66,621,900	43,292,519	65.0
Total Prairie Provinces	192,064,800	114,573,167	59.7
British Columbia	349,000	....	...
Ontario	40,000	....	...
Total Country Elevators	192,453,800	114,573,167	59.5
Interior Private and Mill Elevators	18,246,500	9,042,343	49.5
Interior, Public and Semi-Public	16,482,950	5,644,000	34.2
Vancouver, New Westminster	18,400,000	12,929,427	70.3
Victoria	1,008,000	782	...
Prince Rupert	1,250,000	1,065,100	85.2
Churchill	2,500,000	662,247	26.5
Fort William and Port Arthur	92,592,210	76,573,207	82.7
Eastern Elevators—Lake Ports	50,100,000	28,606,532	57.1
Seaboard Ports	25,487,000	19,457,494	76.3
Canadian Total	418,520,460	268,554,304*	64.2

*Exclusive of 5,600,000 bushels in transit on the lakes.

U. S. Space Also Available

It will be seen from this compilation that total storage space in Canada is approximately 418,500,000 bushels. In addition there is 99,918,000 bushels of storage space in United States lake ports and space for 30,455,000 bushels in U. S. seaboard ports which when combined with the Canadian figure give a grand total of almost 549,000,000 bushels. At the present time there are only 8,000,000 bushels of Canadian grain stored in these positions.

Two factors which tend to reduce somewhat the apparent wide margin between capacity and storage are the fact that a lot of country elevators in the drought areas of the west are closed for the year and are not available for this year's crop. Also that there is probably always storage space which is not usable because old grain is stored at the bottom and new grain cannot be put in until the old grain is removed.

It will be remembered at that a few years ago a somewhat critical situation was reached on this account because of inability of carriers to move wheat from one position to another. At one time an embargo had to be placed on the delivery of wheat to country elevators.

In a recent address before the Regina Grain Conference, Dr. McGibbon, chairman of the Board of Grain Commissioners stated that Canada's storage capacity for wheat was very much over-expanded. This opinion is certainly substantiated by the figures shown above.

Payment Uncertain on Dec. 1 Maple Leaf Milling Interest

A decision has not been reached on whether or not Maple Leaf Milling Co. will pay Dec. 1 interest on its $4,620,500 of 5½ per cent first mortgage bonds, The Financial Post is informed. The company went into technical default on June 1, when it refused United States funds on coupons, to which bondholders were entitled, and when sinking fund installment was not paid. In view of the sharp decline of the bonds in recent weeks, from about 50 to approximately 35, there has been considerable uncertainty about the Dec. 1 interest payment.

Plans are understood to be under consideration to recast the company's balance sheet, and a meeting of shareholders will soon be called to consider this, it was announced at the recent annual meeting. Banks have financed the company for more than four years, since heavy losses were sustained through operations of former officers. Among the items in the balance sheet which might be considered subject to revision are:

	$
Assets	
*Due by former officers	328,118
Bond discount	349,367
Shares in controlled cos.	2,030,902
Leases and contracts	1,694,699
Liabilities	
Preferred shares "A"	2,930,000
Preferred shares "B"	500,000
Common shares	1,000,000
Less: Held by subsids.	596,460
Surplus	229,468

* Less amounts reserved

CANADA ACCUSED OF WITHHOLDING WHEAT SUPPLIES

Grain Exporters Declare Full Quota Will Be Shipped

Accusations that Canada is withholding wheat from the world market are denied by leading Canadian exporters. Broomhall recently stated that "The holding back of supplies by Canada is disconcerting and importers are wondering how this country (Canada) will dispose of the large surplus after the southern hemisphere (Australia and Argentina) starts shipping new wheat in volume about January, 1934." James A. Richardson states that Canada can ship only 200,000,000 bushels in the current crop year under the London wheat agreement and there would appear to be very little likelihood that this quantity can not be disposed of.

He points out that in the first three months of the crop year, August, September and October, Canada exported 56,000,000 bushels of wheat. Demand for Canadian wheat tends to be uniform throughout the year since it is used to such a degree for blending. Argentine wheat will not reach Europe in quantity before February and Australian wheat in March. Between now and February 1 Canada will have shipped a large proportion of her quota and the remainder should be marketed without difficulty by next August. It would appear that Canada's carry-over at August 1, 1934, while substantial, will be under that as at August 1, 1933.

Sidney T. Smith, president of the Reliance Grain Co., has stated that his company has offered wheat for export every business day of the current crop year. Wheat has even been offered at ½-cent per bushel under replacement cost and in considerable quantities daily. The English buyer can also get the advantage of the lowest transportation rates ever charged for the movement of Canadian wheat from the prairies to Europe as well as a price that, on the basis of gold, is about the lowest in history. He stated that it is difficult to understand how Canada can be accused of withholding her wheat from the British or any other market.

Winnipeg Grain Prices

Week to November 21

Crop year from Aug. 1, 1933 High	Low		Open Nov. 15	High for week	Low for week	Close Nov. 21
		Wheat				
.68⅝	.54⅝	November	.65½	.66¼	.63⅝	.65⅛
.90⅞	.54⅛	December	.64¾	.65⅝	.62⅝	.64¼
.95	.59¼	May	.68⅛	.69	.66½	.68½
.70½	.66½	July	.69¼	.70⅛	.67⅝	.69¾
		Oats				
.32¼	.29½	November	..	.31¼	.30	.30¾
.45⅜	.26	December	.31½	.32	.29⅞	.30¾
.48⅞	.29¼	May	.34⅝	.35	.30¼	.34⅛
.36¼	.33⅝	July	.34⅝	.35½	.33⅝	.34⅝
		Barley				
.36⅞	.31⅛	November	..	.36¾	.34⅝	.35¼
.56⅞	.29¼	December	.36¾	.36⅝	.33¾	.34⅞
.59¾	.32½	May	.39	.39½	.36¾	.38⅛
.41	.38¼	July	.39⅝	.40⅛	.38¼	.38⅞
		Flax				
1.45¼	1.36¾	November	..	1.43¼	1.40	1.42
1.68½	1.11	December	..	1.44	1.39½	1.42
1.71½	1.16	May	1.49	1.50	1.45	1.47
		Rye				
.50½	.38¼	November	..	.45	.43	.44½
.64½	.37	December	.44¾	.45⅛	.42⅞	.45
.68½	.39½	May	.48⅝	.49⅝	.46⅞	.49
.50⅛	.45⅝	July	.49⅝	.50⅛	.47⅞	.49⅝

ONLY ARGENTINA HAS ANY PROBLEM OVER EXPORT PLAN

Other Exporting Countries Find London Quota Large Enough

From Our Own Correspondent

WINNIPEG.—While suggestions occasionally appear from outside quarters that the Dominion Government may have to pass some special legislation restricting wheat exports from Canada in order to live up to the terms of the London wheat agreement, the grain trade does not see such legislation as either necessary or probable. For the current year Canadian exports seem likely to be just about the 200,000,000 bushels allotted to Canada under the London agreement. At least there appears to be no present prospect of that quantity being exceeded, even without the London agreement.

Even if such a likelihood should develop, the situation is already in the Government's hands, for such a quantity could hardly be exported without the Government reducing its commitments in the wheat market to a considerable extent. Simply by holding on to its commitments the Government can limit the export of wheat to any desired extent.

No Pressing Need

So far as the following year, 1934-35, is concerned, a similar position will probably exist. The Government, it would, therefore, seem, could well afford to pass the matter over at the coming session of Parliament, and it would still have plenty of time, should action later appear to be desirable, to deal with the matter at the following session.

Latest reports indicate that the Australian crop now commencing to be harvested will provide no greater export surplus than has been allotted to Australia under the London agreement, and indeed it is possible that Australia may not have wheat enough to fill her quota. Similarly the United States will need to take no special action, as commercial exports of wheat on any considerable scale would be quite impracticable under the agricultural price policy that the government is attempting to follow in the United States. The only way the United States can continue to export wheat or flour while maintaining that policy is by a system of subsidies.

Problem in Argentina

The London wheat agreement, however, may create a problem in Argentina. When the agreement was signed it appeared likely that the Argentine, like Australia, would have a small crop this year. The most recent reports suggest that instead of having to spare only the 115,000,000 bushels tentatively allotted to that country under the London wheat agreement, as was then expected, the Argentine may have from 25,000,000 bushels upward of surplus.

What to do with such a surplus, if produced, is a problem that must be engaging the attention of the Government of the Argentine. It has not previously been customary for that country to carry over any considerable grain from one of its crop years to another, and facilities for either storing or financing a surplus are lacking. But the government has for several years been talking of erecting a system, and recent despatches suggested, although not for the first time, that work was about to be undertaken.

May Buy Surplus

By buying up farmers' grain and storing it, the Argentine Government would be able to carry out its obligations with respect to limiting exports. Of course, it is still possible for a good deal of damage to be done to the crop before it is finally harvested. But the Argentine, too, might decide to let commercial limitations take care of the question of limiting exports, for the government would run great dangers of unpopularity if it instituted a licensing system upon which any further declines in wheat prices might be blamed.

Argentine farmers are showing a disposition to blame the government for the present price situation, and despatches have carried several items suggesting a movement to refuse to harvest or to prepare for another year's crop unless something is done about prices.

Argentine Reduces Duties

The Argentine Government has decreed that tariff reductions stipulated in the Anglo-Argentine Treaty are applicable to products in Argentina from all nations. Great Britain will still retain an advantage since the revision of duties tends to favor products in which Great Britain is specially interested.

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Investors Can Get Premium On Sterling Payment Bonds

Misunderstanding of Clause "Payable at $4.86-2/3 to the Pound" Corrected — Dominion Coupon Tax Payable When Sterling is Above $5.11

Since the pound sterling has advanced above par in Canada, demand for "three-payment" bonds, on which the investor may collect interest and principal in pounds sterling or in American or Canadian dollars, has been improving. Some misunderstanding of the three payment clause has arisen, however, because it is almost 20 years since it has been substantially worth while for Canadian investors to take advantage of the sterling payment privilege.

The three payment clause usually states that principal and interest is payable "in gold coin of the Dominion of Canada or the United States of America, or in sterling at $4.86-2/3 to the pound." Or it may merely be "payable in gold coin of the Dominion of Canada or the United States of America, or in pounds sterling." In the latter case there can be no misunderstanding that the bondholder is entitled to sterling if he wishes to take it and in the case where sterling is payable "at $4.86-2/3 to the pound" there is really no difference.

Expression Explained

The expression "at $4.86-2/3" has given some bondholders the impression that they cannot collect more in dollars than the par value of sterling. That impression is apparently incorrect.

The explanation of this phrase in the payment clause, according to dealers, is that it is largely one of convenience for the issuing debtor in Canada. It was formerly the practice to issue three payment bonds with the amounts inscribed on the security in both pounds sterling and in dollars. That is, a coupon would bear two inscriptions, say, $25 and £5/2/9. The sterling figure, of course, is merely the equivalent of $25 at par of exchange, $4.86-2/3. So all the investor had to do, if it were profitable, was to ask for five pounds, two shillings and nine pence, when he cashed his coupon. Or he would take the equivalent in dollars and, therefore, get the benefit of any premium on sterling exchange.

Now, the more modern sterling payment clause really means the same thing as the former one. Only instead of inscribing both the sterling and dollar amounts on the coupons and on the bonds, only the dollar amount is shown.

The phrase "at $4.86-2/3" merely signifies the rate of exchange by which the dollar amount on the coupon should be divided to ascertain the number of pounds sterling due on the coupon. Therefore, a coupon for $25, divided by $4.86-2/3 becomes £5/2/9, and, of course, this sterling figure does not change, although the price of sterling on foreign markets does.

At the recent prevailing rate of exchange, there was a premium of over five per cent on sterling funds. So a three-payment coupon for $25, equivalent to £5/2/9, was worth more than $25. Multiply the £5/2/9 by the recent sterling rate of about $5.16, and you have approximately $26.50 for the coupon. However, investors must make a deduction of five per cent for Dominion Government income tax, since the sterling premium went over five per cent. Nevertheless, there is an exchange increment to be gained from sterling-payment coupons as long as the pound remains above $4.86-2/3 in Canada. And the tax is not payable unless the pound rises above $5.11, which represents an exchange premium of approximately five per cent for sterling.

Enquiries

Service Stations

I am seeking a safe but profitable speculation and would appreciate any advice or information you could give me regarding suitable stocks.

My present list of holdings includes stocks of Service Stations and Imperial Oil, Maple Leaf Milling Co. bonds, and some government bonds.

Would you consider a venture into more speculative stocks a safe and legitimate chance to take?

Service Station Equipment Co. has an adequate working capital position and is apparently well able to stand the adverse period through which all service station equipment companies are passing at the present time. The chance for further earnings in the case of a company like this must come when business is better, when more service stations begin to be built here and there and when the oil companies in the United States are making enough money to do away with obsolete equipment. The demand experienced two or three years ago cannot be expected again because service stations more or less have caught up with the demand. The expectation is that there will be slowly improving demand, however. This company is developing other lines with considerable success.

A purchase of Imperial Oil or the holding of Imperial Oil would be done because the company is very strong financially, because it is the leading company in its line in Canada, because it is affiliated with strong companies elsewhere and because one believes that its great subsidiary, International Petroleum, will be able to make considerable money when world prices for crude oil improve. The company earned its dividend last year with 5c. a share over. The exact earnings this year are hard to estimate because 66 per cent of its dividend is earned by International Petroleum, which publishes no financial statement. The higher level of prices in the United States may possibly help this company if world prices follow the United States lead, but that is not certain yet.

Maple Leaf Milling Co. bonds will depend for market value on returning confidence in the company as it shows itself able from year to year to reduce its banking and other indebtedness and to increase its working capital. Its earnings were slightly higher in the year recently closed but to make assurance doubly sure those earnings should increase considerably. The aspect of the bonds is weakened because interest was not paid in United States funds as required under the indenture and because sinking fund payment due was not made.

You state that you are seeking a safe but profitable speculation. Speculations are never safe though often profitable. A speculation is an investment made in the hope of appreciation and later sale so as to realize that profit. In your case, it would appear to us that your trend should be rather toward safer securities with a more reliable income than the other way.

Hiram Walker

I shall be obliged for your opinion as to the merits of Hiram Walker preference shares.

With regard to the merits of Hiram Walker preference shares, you will note from the annual statement of the company that the dividend of $1 was not quite earned in the last year. You will note, however, that the common stock has gone as high as $65 a share and even at present is selling for around $37 a share, even though the common stock earned nothing in the last year or two. This is because of the strong inventory position of the company which apparently gives it great opportunities in connection with the return of a legal liquor industry in the United States. There is a considerable shortage of whisky and out of 14,500,000 gallons of spirits in store, Walker is understood to have more than 8,000,000 gallons which are suitable for sale in the United States.

The company is at present building the largest distillery in the world at Peoria, Ill., and it is probable that it will use a good portion of the present inventory to help it tide over in the United States until liquor produced at Peoria can be sufficiently aged to sell. If customs and excise duties in the United States are not too high and permit the company to dispose of its products in the profitable way expected, there is a considerable possibility that Hiram Walker might redeem its preference shares. The directors have followed the policy for some time of buying from time to time in the markets these preference shares. The redemption price is $20 if the shares should be called at any time, but to date purchases in the market have been made at a very much lower figure.

General Brock Hotel

What is the position of the General Brock Hotel at Niagara Falls, Ont.? I understand that the bonds, secured by this property, are in default on interest. What is the present market for these bonds and are the possibilities of appreciation in price sufficient to warrant the risk involved?

The General Brock Hotel Co. has been in receivership for the last year and the Montreal Trust Co. is acting as manager for the property. Earnings in the current year are not as good as in 1932 it is reported, but we understand that operating expenditures and taxes were covered with some margin. With the burning of the Clifton House, the General Brock Hotel became the principal hotel in Niagara Falls, but profitable operation depends largely upon summer tourist trade which was comparatively small during the past summer. During the winter months, the hotel usually operates at a loss. Tourist cabins and private homes are absorbing a large proportion of the tourist trade.

The bonds of this company never had an active market. It might be possible to pick up one or two bonds at the present time between 15 and 18 but very few bonds are being offered at these prices. There is no indication at the present time that the company will be able to pay any interest to bondholders for at least a year and it is highly probable that when earnings of the hotel do pick up there will be a capital reorganization with a view to scaling down the fixed charges.

If Ontario hotels are licensed to dispense beer and wine this should have a stimulating effect upon earnings and the General Brock Hotel would naturally benefit.

National Grocers

I understand that investment houses are offering a new bond issue of National Grocers Co. This, I understand, is a 6 per cent 15-year, first mortgage, closed bond, to be sold to yield in excess of 6 per cent. According to the figures I have seen, present earnings of the company are at a rate to provide bond interest about five and a half times.

The desirability of this bond, among possibly other things, hinges we think on two points; one, management and the other, marketability, as naturally this is not a seasoned bond. I will appreciate any information you can give me in reference to the issue, covering especially the matter of management and your opinion of the bond in a diversified list of Government, municipal and public utility bonds.

National Grocers Co. is one of the largest distributors of food products in Canada with annual sales running in excess of $20,000,000. The present company was incorporated in 1925 at which time some 23 wholesale grocery companies operating in Ontario were merged. At the time of this merger, the company issued $1,000,000 of 8 per cent first preferred stock to the public and owners of the wholesale houses that were absorbed received second preferred and common stock; in 1925 the company also issued $2,000,000 of 6½ per cent gold notes due in 1932. By 1930, the company had retired all of its 8 per cent first preferred stock and the second preferred stock then outstanding is now known as first preferred. The notes due in 1932 were reduced from $2,000,000 to $1,086,500 before maturity of the issue and the present offering of first mortgage bonds is to refund bank loans made in 1932 to retire the note. The company has made noticeable progress in its eight years of existence under the same management despite the serious difficulties with which it has had to contend, such as competition from chain stores and continual fall in commodity prices.

One notable provision in the new issue of first mortgage bonds is that of annual sinking fund payments sufficient to enable the company to retire the entire issue by maturity. This, as you are probably aware, amounts to some $83,333 per year and so long as the company provides this sinking fund it would appear that there would be a demand for the bonds, from this source if no other. Even though the size of the issue may not create a public interest sufficient in itself to make a market for the bonds, it would seem that with a sound record of earnings the bonds would be attractive to certain classes of investors whose purchases together with those of the company for a sinking fund would provide a better market than is usual for bonds of this type.

Toronto General Trusts

Is the Toronto General Trusts Corp. among the larger of Canadian trust companies? What is the position of this company from the standpoint of management and security?

Toronto General Trusts Corp. was incorporated in Ontario in 1872 and is, therefore, one of the oldest as well as one of the largest trust companies operating in Canada. It operates in five provinces.

This company had issued $18,045,874 of guaranteed investment certificates and had $6,168,734 of funds on deposit as at December 31, 1932. Very few trust companies in Canada have as large a business. The officers and directors of the company are widely known business and financial men who are also highly regarded.

Abitibi Preferred

I own 75 shares of the 6 per cent cumulative preferred stock of the Abitibi Power and Paper Co. Ltd., which I bought some years ago at a price very much higher than the price that is now quoted.

Will you please let me have what information you can get of present and future conditions of this company? Would it be wise for me to buy some more of the preferred stock at present low quotations and thereby reduce the cost of my holdings, with the hope that some time in the future the preferred stock will again command a reasonable price? Is there probability of reorganization, in which case how would the preferred stock fare?

Abitibi Power and Paper Co., Ltd., is at present operating under a receivership and in the shadow of an order in bankruptcy. G. C. Clarkson, trustee, issued a report early in the year as of September 10, 1932, which is the last and most complete information ever published with regard to the company. Operations have been continuing under the receiver with the former management in charge. There has been some improvement in demand during 1933 but the exact future status of the industry is yet in doubt because of regulations made under the National Recovery Act in the United States and the uncertainty as to the nature and duration of the summer pick-up. In recent weeks there has been some falling-off.

About all that shareholders can do is to wait for and study the various reports made by the receiver. There are protective committees established for the bonds of the company and for the preferred stock as well. These protective committees are keeping in touch with the receiver and when times are ripe and the prospects of the company pretty well delimited, these committees will probably make proposals for reorganization of the capital structure.

If the valuation of the company's properties, as shown in the last balance sheet before the receivership, were to be taken as still applicable, there would be a good opportunity along the line which you advocate, of buying more preferred stock at low quotations and of thereby reducing the average cost of your holdings with the hope that some time in the future the preferred stock would again command a reasonable price. Against that may be cited the fact that it may prove to be the wise thing for the company to dispose at very low rates of its higher cost mills if possible. They have only two very low cost mills and there are four other efficient mills.

The largest mills brought in by the purchase of the Spanish River Paper Mills and the Murray Bay Paper Mills will probably not be taken much into the future calculations. The Sault Ste. Marie mill of the Spanish River Paper Mills has been so much improved that its value is recognized. Only the present and future operations until such time as the protective committees make their reorganization proposals will determine the value to be given to all these mills. No one can tell at present how much of a scaling down will be required in the preferred stock. No one can tell how the company will fare in making good on its various commitments which must come before preferred will share. The banks and bondholders have the dominant position.

Gold Clause

Canadian Victory bonds due Nov. 1, 1933, distinctly state that both principal and interest are payable in gold, and not in Canadian funds only. I could use the gold in a jewellery manufacturing firm in Canada, of which I am president. A kept promise to pay in gold is of real value to the investor, as my experience with gold payment bonds of other countries shows. Why can I not collect gold from the Dominion?

Your 1933 Dominion bonds may be payable in "gold coin of the Dominion of Canada, the United States, or Great Britain," and still the Dominion is unlikely to pay you in gold. The legal crux of this gold clause is that it is within the sovereign powers of Government to say what the money shall be. And, as you know, governments are paying in lawful money, not gold coin. So that is as far as investors can go. Abandonment of the gold standard, and winking at the gold clause, simply mean that investors have no means of enforcing their claims against the power of the state. And it is highly questionable whether the state cannot legally alter gold money contracts, such as bond clauses, made between private citizens.

It does not matter, legally, that your bonds are payable in "gold coin" rather than in "lawful money" of Canada. All you can get is lawful money. Unfortunately for investors, to protest is to tilt at windmills.

Associated Telephone

I hold some of the securities of Associated Telephone and Telegraph Co. It would be appreciated if you would let me have your views upon the company and its finances.

Associated Telephone and Telegraph Co.'s revenue position has been affected over the last two years on account of the unsettled exchange situation. As you may be aware, practically one half of this company's income is received from foreign sources and the depreciation of the majority of currencies in relation to the American dollar has adversely affected Associated Telephone and Telegraph.

This situation is righting itself as a result of the recent depreciation in the value of the American dollar. But until the United States fiscal policy assumes a more definite form we recommend you follow developments which might affect the position of this company.

Inter. Hydro

Would you be good enough to let me have your opinion on the position of International Hydro-Electric System in respect to its bonds, and, at the same time, let me have some idea as to why the bonds are selling at such a low price?

International Hydro-Electric System has maintained its position relatively well over the last two years. Its operations and income, of course, have been affected by the general business depression in the area served by the company, but the income account shows sufficient revenue to cover the company's bond interest after making provision for depreciation.

The low value of these bonds can be attributed to two causes. First is that the bonds do not represent a direct charge upon operations, except in a few instances. The company has a heavy underlying funded debt, together with a substantial amount of outstanding underlying capital stock. The charges on these underlying bonds and stocks, as you will appreciate, have to be met before International Hydro-Electric System is able to take care of the interest on its own bonds.

The second factor affecting the value of the company's bonds is its close association with International Paper and Power Co. The latter controls properties which can be roughly divided into two classes —power and paper. In the paper division, the major share of revenue is derived from newsprint sales. Newsprint operations, at the same time, have an important bearing upon the operations of the power company. The newsprint situation has not been at all satisfactory in the past three years though there are signs of late to indicate a strengthening in the situation. As long as this uncertainty exists it will have an influence upon the market value of International Hydro-Electric Securities as well as those of other companies to make up International Paper and Power Co.

Pool Apple Marketings

Six of the largest shipping organizations in the Okanagan Valley, including Associated Growers, Sales Service, and B. C. Fruit Shippers, have united and are selling their domestic apples through one office. The Crestland Fruit Company and Occidental Fruit Company are the only two large shippers who have not come under the General Selling Scheme.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Combined Mail Theft and Forgery

COMBINING two forms of racket into one, a Toronto man, recently captured by police, is alleged to have carried on his operations for a period of three years before he was suspected and caught. The first step in his procedure was to rob apartment house mail boxes which, it is gathered, contained more bills and accounts rendered than cheques. The next step was to select a suitable account, make out a cheque to the firm presenting the bill, forge the name of the debtor on the cheque and certify the cheque with a rubber stamp. The cheque was always made out for more than the amount of the bill and when presented to the creditor company in payment of the bill the thief would receive the difference between the bill and the cheque in cash.

The usual slip occurred when the thief tried to pay a bill that had already been paid. He was suspected at once, followed to his place of business and there arrested.

Russian Bonds

IMPERIAL Russian bonds are being made into an apparently lucrative racket in Canada. The following advertisement recently appeared in the classified advertising columns of one of the largest Canadian newspapers:

"Imperial Russian Government bonds wanted, highest prices paid."

A sleuthing friend of The Financial Post answered the advertisement and received bids of $2.50 per $1,000 bond for internal (rouble) payment Russian liens and $3.50 for Russian dollar bonds. The reply letter from the advertiser read:

"In answer to your letter of recent date regard the Imperial Russian Government bonds, 'Internal,' the price is today $2,500 a million. The 'External' is $3.50 a thousand."

The catch in the offer is that the bonds are worth about $40 per $1,000 at latest prices.

It would be considered a handsome profit for a bond dealer to get, say, a fifty dollar profit on a bond worth $1,000; such a profit is small compared to the racketeer's $36.50 gain on a bond valued at $40. The inspirer of the ungrammatical letter quoted above would have to make only a few deals to get a handsome income after paying for the small advertisement. It is noteworthy that there has been increased activity in Russian bonds at New York since announcement of American recognition of Soviet Russia. The two chief Imperial Russian issues quoted in New York at 5½'s and 6½'s issue in 1916. The 5½'s have sold as high as 8⅞ and as low as 2, this year, closing at 4¼ on Nov. 17. The 6½'s have ranged between 8½ and 2, closing on Nov. 14 at 4½, the last transaction recorded at the time of writing.

Protective committees have been formed for both issues, but have been able to accomplish nothing toward getting payment of all or any portion of the loans. To the racketeer buying bonds at $3.50 with the market at or above $40, however, it does not matter much whether Soviet Russia recognizes part of Czarist Russia's debts or not. His market can hardly slip far enough to spoil his game.

Counterfeit

IMITATION United States Federal Reserve notes of $100 denomination have been passed recently in Montreal and are the subject of a warning sent out by the Montreal Better Business Bureau. So perfect are the counterfeits that they were passed by United States banks. The bills are of the 1928 series with a photograph of Benjamin Franklin on the front and Independence Hall on the reverse. They carry the signature of E. O. Woods and A. W. Mellon.

New Books

"Central Banking in Canada"

Authoritative volumes on central banking in Canada have been very scarce. Up to the present, the most useful pieces of literature on the subject have been two small pamphlets published by The Financial Post a year ago, and which are now practically out of print, and some reprints of papers by Prof. Curtis of Queen's and Prof. Day of McGill. The Macmillan report has, of course, added enormously to our store of knowledge on the subject and a little cloth bound volume by James Hugh Creighton of Vancouver entitled "Central Banking in Canada," which has just been published, is a welcome addition to the list.

Mr. Creighton's volume represents a thesis submitted to the University of British Columbia when Mr. Creighton was a candidate for the degree of Master of Arts. It is a well-arranged compilation of most of the available material on the subject and while it makes little claim to originality of viewpoint, it does bring together in summary or quotation form and with suitable comment, enough material on the subject to warrant the volume being regarded as the most complete yet published on the subject.

One feels that it would have been better to have withheld publication for a few weeks to have permitted the thesis to be revised in the light of the Macmillan Commission report. For instance, the volume ends with the recommendation that there should be a Macmillan committee in Canada to investigate every phase of the monetary and banking problem and yet the book is being published simultaneously with the report of the Macmillan committee which the author suggests!

A few careless errors in the book are found even on hasty reading. For instance, F. C. Biggar, secretary of the Canadian Bank of Commerce, is listed as general manager. Elsewhere in the book the name of the president of the Imperial Bank of Canada is spelled Rolfe. Yet these minor criticisms do not alter the fact that Mr. Creighton has done a splendid job and has produced a handbook which can usefully be employed by everyone studying the question of central banking in Canada.

The volume is published by the Clarke & Stewart Co., Vancouver, at $1.00.

Other People's Views

Government Inspectors

Collingwood Enterprise-Bulletin.—The Financial Post heads a column "Rackets" and explains that it means, "a trick, dodge, scheme, game, line of business or action." How applicable to this inspectorial parade which is bleeding business white by fees and demands. Where is that politician who will come out to save the situation?

Back to Simple Life

Ottawa Journal:—The Prime Minister, speaking in the West, said we must get back to the simpler living of our forefathers. Well, we can't get back to the simple living of our forefathers so long as we are paying interest on ten billion dollars of debt. Our fathers, while they were living simply, didn't have to find hundreds of millions of dollars every year for interest on mortgages, for municipal and provincial and Dominion debts. Neither did they have to pay for a lot of coddling and paternalism, ranging all the way from state advice about how not to get sick to free radio concerts.

Therefore, if we want to get back to the simple living of our fathers, or to anything like it, we've first got to alter a lot of our notions and get rid of a lot of our debts. The idea of looking to the state for this that and everything, of wanting it to guide us from the cradle to the grave, permitting us to "keep up with the Joneses" on the journey, has got to be revised. Heavy interest charges and social services and a generally complicated economic organism don't mix well with simple living.

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Bank Chat on Current Topics

Burning the Midnight Oil

IT IS quite safe to say that no class of office workers in Canada has as few university graduates within its ranks as there are in the guild of bank employees. It is probably almost as safe to say that no class has the same proportion of its members taking courses to prepare them for higher things. The course in banking arranged by the Canadian Bankers' Association under the direction of Queen's University is now entering its 19th year and in that time 2,158 bankers have completed the course leading to the Associate degree and 551 have obtained the Fellows' degree. The high proportion of students completing their course with honors speaks well for the intelligence of the Canadian banker.

With fewer new men on the staffs of the banks it is not surprising that the enrolment for the new term is not as large as it was last year. At November 1 there were 325 new enrolments in the Associates' course bringing the total to 1,099 as compared with 1,356 at the same time in 1932. The total enrolment for the Fellows' degree is slightly higher, 298 as compared with 296 in 1932. If the students in these courses given by Queen's University, Shaw Schools Ltd. and L'Ecole des Hautes Etudes Commerciales have no college yells and can join no college societies, they at least have the distinct advantage of knowing just what they are studying for and have the satisfaction of being able to apply most of what they learn to situations that turn up from day to day.

* * *

The Forgotten Man

ONE facet of the banking picture that was given little if any prominence in the evidence given before the Macmillan Commission is the service given by the banks to the Federal Government with little if any remuneration. Throughout the banking system there are thousands of junior employees who are linked in a common bond with a correspondent who writes that his sphere in the bank "is confined to the limits of a wire cage."

This bank clerk raises a point that the general managers of the banks failed to make clear before the Royal Commission. He thinks that "the thoughts of the executives who presented the case for the banks were on too high a plane for Tom, Dick and Harry to understand, and it would have been a good idea to have let bank tellers and ledgerkeepers give evidence, for their evidence would have been more easily understood by the masses." He would have liked to explain to the Commission the amount of time and energy expended in explaining why a stamp has to be affixed to a cheque before the cheque can be cashed. He would have shown the time expended by banks in cancelling such stamps and making sure that no cheque got through unstamped. He would have shown how much the Government collected from this tax with practically no expense to itself.

The coupons from most Government bonds, he believes, are cashed by the banks free of charge. The sorting, recording and dispatching of hundreds of such small items is no small matter. This bank clerk remembers well the time he sneezed into a pile of coupons and spent hours of overtime in doing his work over again. On days immediately following the maturity of coupons he has to work overtime filling out ownership certificates. He points out that there are other taxes that the banks have been made responsible for collecting such as the 5 per cent deduction on coupons and the tax on savings bank interest.

Our correspondent, together with thousands of fellow bank clerks, has a "worm's-eye view" of the mass of detail that goes through the banks to the benefit of the Government. Criticism of the profit the banks make out of Government accounts and the profit obtained as a result of the right to issue notes was not uncommon in the evidence presented to the Royal Commission. Had the Commission heard evidence from a few bank clerks the other side of the picture might have been even more clearly presented.

* * *

The Mountain Would Not Move, So

HAMILTON, Ont. is a good example of Mahomet going to the mountain since the mountain would not go to Mahomet. As most Ontario residents know, Hamilton citizens take a certain civic pride in its adjacent contours that envious neighboring cities refuse to admit constitute a mountain. This perverseness makes it all the more a mountain to Hamiltonians. But when Hamilton first began to show signs of life, down at the shore of Burlington Bay, the mountain did not enter into the scheme of things. Even in 1843 when the Bank of Montreal opened a branch in Hamilton to serve a population of 4,860 it is extremely doubtful if the town was mountain conscious. Since that time Hamilton has grown mightily, served throughout by Canada's oldest bank. Today, with a population of over 155,000, the city ranks as one of the leading industrial centres in the Dominion. Its borders have been extended far beyond the shore of Burlington Bay and now include parts of the mountain. This month, the Bank of Montreal completes 90 years of service to Hamilton.

Staff Changes

The **Royal Bank** reports recent important changes in staff have been as follows:

R. H. BOUCHER, manager at Montreal East, has been transferred to Quebec as accountant.

G. C. SIDDALL, moved from Edmonton to manage the branch at Hanna.

J. L. ADAM, supervisor's department, Calgary, is appointed assistant manager at Edmonton.

C. A. GILLIATT, supervisor's department, Port of Spain, is appointed manager at Bridgetown, Barbados.

A. F. McALPINE, assistant manager, Hamilton, Ont., goes to Brantford as manager.

H. A. CHANNELL, accountant at Ottawa, succeeds Mr. McAlpine, as assistant manager at Hamilton.

F. A. R. JAMES, head office, Montreal, goes to Ottawa as accountant.

Current Events in Banking World

IMPERIAL BANK PROFIT IS HELD AT 1932 LEVEL

Increases Ratio of Quick Assets to Liabilities to Public

DEMAND DEPOSITS UP

Provides Contingency Reserve of $250,000 — Omits Write-Off on Premises —Adds to Surplus

Net profit shown by the Imperial Bank for year ended October 31 was practically unchanged from net profit of the previous year. The financial statement of the bank gives little indication that 1933 has been a year of stress for banks throughout the world, a period in which business in Canada possibly reached its lowest ebb for the present depression and then recovered in marked degree in many lines. In this period the Imperial Bank had a net profit of $1,204,038, only $1,297 under that for 1932. Net profit per share was $17.20 on the 70,000 shares of $100 par value stock outstanding, against $17.22 per share in 1932.

Liabilities to the public are up to $118,733,282 from $112,071,135, principally due to increase in demand deposits. The liquid ratio of the bank was improved and quick assets amounted to 58.1 per cent of liabilities to the public as compared with 56.1 per cent in 1932 and 53.6 per cent in 1931. Chief increase in quick assets was in holdings of Government securities which were up to $22,849,083 from $19,675,339 while Dominion notes were up to $9,469,309 from $7,918,051. Balance due by banks in the United Kingdom dropped to $990,008 from $2,007,531 while balances due by foreign banks, presumably banks in the United States, increased to $2,444,652 from $1,269,442. Loans to provinces and municipalities were lower while current loans in Canada remained practically unchanged at $57,465,120.

Demand Deposits Increase

Non-interest bearing deposits increased to $21,148,927 from $16,384,816. This is a larger total than has been shown at the end of the three preceding fiscal years and compares with $26,878,938 shown in 1929. Interest bearing deposits, at $83,300,123 showed decline of only $27,600 during the year. For the first time in several years the bank shows an item due the Federal Government for advances under the Finance Act amounting to $1,590,000.

The profit and loss account shows several changes. While profit remained at the same rate as in 1932, the reduction in the dividend rate from 12 per cent to 10 per cent per annum effective with the quarterly dividend payable November 1, 1932, reduced dividend payments to $700,000 from the $805,000 paid in 1932. Federal and other taxes are shown as unchanged as are payments to the officers' guarantee fund and the officers' pension fund. No provision is made for write-offs to bank premises which amounted to $150,000 in 1932 nor for provision for depreciation in securities which amounted to $150,000 in that year. In place of these reserves there is provided a reserve for contingencies amounting to $250,000.

INCOME AND SURPLUS ACCOUNT
Years Ended October 31

	1933 $	1932 $
Net profit*	1,204,038	1,205,335
Less appropriations:		
Dividends	700,000	805,000
Fed. & other taxes	170,000	170,000
Officers' guar. fd.	7,500	7,500
Officers' pension fd.	40,000	40,000
Writ. off bk. prem.	......	250,000
Prov. for deprec. in secs.	......	150,000
Contingency res.	250,000	......
Surplus for year	36,538	†217,165
Add: Previous surp.	544,744	761,909
Balance forward	581,282	544,744

* After management charges, auditors' fees and interest due depositors, and after provision for bad and doubtful debts and for rebate of bills under discount. † Deficit.

There has been some increase in non-current loans and in real estate held which brings these non-liquid items back to the 1931 level. Mortgages held have been further reduced by $41,000. Premises remain at $6,000,000 as in 1932 but during the year there has been some reduction in the number of branches with 199 branches operated as at October 31, 1933, as compared with 207 branches in October, 1932.

GENERAL STATEMENT
As at October 31
Immediately Available Liquid Resources

	1933 $	1932 $
Specie	492,148	445,561
Dominion notes	9,469,309	7,918,051
Foreign currencies	22,040	15,631
Gold reserve	1,400,867	1,100,867
Due by U. K. banks	990,008	2,007,531
Due by foreign banks	2,444,652	1,269,442
Governmt. securities*	22,849,083	19,675,339
	37,668,107	32,432,422
Loans and Securities Other Than Those of Canadian Government		
Public & munic. secs.*	6,209,591	5,704,437
Railway securities*	165,891	169,592
Can. call loans	5,987,722	5,385,727
Can. current loans	57,465,120	57,467,654
Loans to munic., etc.	8,540,192	9,190,393
Loans to prov. govts.	2,878,576	3,075,762
	81,247,092	80,993,565
Due from Other Banks		
Notes of other banks	423,825	535,460
Cheques on other bks.	6,024,037	5,289,407
Due from other bks. in Can.	656,301	662,924
	7,104,163	6,487,791
Other Assets		
Non-current loans	238,362	220,953
Real estate	166,745	158,134
Mortgages	430,231	471,464
Letters of credit	1,091,531	484,706
Bank premises	6,000,000	6,000,000
Deposit re circ. fund.	443,420	430,505
Other assets	101,450	113,126
	8,471,739	7,878,888
Total assets	134,491,101	127,792,666
Liabilities		
To the Public		
Notes in circu.	7,900,218	8,021,343
Deposits by the public:		
Non-int. bearing	21,148,927	16,384,816
Interest bearing	83,300,123	83,327,716
	112,349,268	107,733,875
Govt. advances	1,590,000	......
To banks abroad, etc.:		
United Kingdom	88,662	199,370
Letters of credit	1,091,531	1,447,530
Foreign	814,045	484,706
	1,994,238	2,131,606
To Canadian banks	2,799,776	2,205,654
	118,733,282	112,071,135
To Shareholders		
Dividends, etc.	176,537	176,787
Reserve	8,000,000	8,000,000
Capital	7,000,000	7,000,000
Surplus	581,282	544,744
	15,757,819	15,721,531
Total liabilities	134,491,101	127,792,666

* Not exceeding market value.

Banks' "Window-Dressing" Is Shown by Statistics In Commission's Report

Advances Under Finance Act Substantially Greater at End of Each Month — Practice Suspected in Past But Never Proven

The extent to which Canadian banks have had recourse to borrowing under The Finance Act in order to show an improved cash position at the end of each month has often been the subject of discussion by economists and students of finance but definite figures have never been available until the report of the Royal Commission on Banking and Currency was issued recently. The report includes a statement of advances made to the chartered banks under The Finance Act which shows the monthly high and low points from January, 1927, to July, 1933, and the monthly average of daily advances over the same period. These figures, together with the total of advances on the last day of each month as shown in the monthly bank statement, give more light on the subject of "window-dressing" by the banks than has ever been made available before.

Comparison of figures in column one and column four of the table below shows that there is a decided tendency for advances to banks under the Finance Act to reach a peak at the end of the month. The total of such advances outstanding at the end of the month equalled the high for the month nine times in 1929, seven times in 1930, six times in 1931, eight times in 1932 and in five out of seven months on record in 1933. On other occasions the loans outstanding at the end of the month were very close to the peak for the month.

Improves Liquid Position

Loans under The Finance Act have shown wide fluctuations in the last four years. The peak was reached in November and December, 1929, when the high point in each month was $112,900,000. In March, April, and May, 1931, there were times at which no advances were outstanding. The monthly average of daily advances, it will be noted, is considerably under the monthly peak and the amount of advances outstanding on the last day of the month.

"Window-dressing" has the effect of apparently increasing cash reserves. The bank reports its position as of the last day of each month it is possible to secure advances under the Finance Act near the end of the month which are repaid early in the next month. Strengthening of a bank's liquid position may also be effected by turning call loans and balances outside of Canada into cash. Again, certain classes of loans may be paid off just before the end of the month and this would mean for the bank an increase in cash or a reduction in liabilities to the public.

Since 1914, the banks have been able to obtain Dominion notes by rediscounting under the provision of the Finance Act so that it is an easy matter to borrow cash reserves in this way at the end of the month. That this practice is followed is indicated in the following table.

Important to Investor

Professor C. A. Curtis, of Queen's University, an authority of Canadian banking comments upon the effect of "window-dressing" in volume 1 of Statistical Contributions to Canadian Economic History as follows:

"From the viewpoint of the general position and safety of any bank, this practice mitigates the value of the (monthly) returns, but from the viewpoint of the general economic position of the country, it is doubtful if the effect is very great. As long as the amount of 'window-dressing' is constant it probably matters little, and, after all, many of the main asset and liability items cannot be altered greatly, if at all. The greatest amount of manipulation probably comes in the cash items which from

(Continued on page 14)

Foreign Exchange

CANADIAN dollars and the pound sterling advanced further in New York in the week ended Nov. 20, as weakness of the American dollar persisted. Francs were strong, despite budget difficulties of the Sarraut Government. Great Britain is understood to have been lending heavy aid to the franc in an effort to keep it on gold. This is being done, it is believed because the British authorities feel the franc is the last remaining foundation on which stabilization may be built.

Critics of British support of the franc state that if the gold standard were thrown overboard by the French then the decks would be cleared for widespread stabilization. Currencies would tend to seek their natural levels. One financial man expressed to The Financial Post the opinion that in the event of French abandonment of gold the United States daily price for the metal might become the basis of stabilization.

* * *

PROFESSOR Gilbert E. Jackson, of the University of Toronto, in an address before the Canadian Life Officers Association, last week, pointed out that there appears to be a definite relationship between the level of the pound sterling and the Canadian dollar in New York. This bears out indications in charts published in The Financial Post. But, of course, it does not show where exchange will go, which none of the experts will venture to predict.

The United States dollar continues to be the centre of attention in foreign exchange. Leading American financial journals are clamoring for clarification of Washington's monetary policies. And conservative organizations have demanded that the present money-tinkering cease. Anti-inflation sentiment appears to be spreading rapidly in the United States.

FOREIGN EXCHANGE
New York Funds

	High (Discount)	Low	Last Year High (Premium)	Last Year Low
	%	%	%	%
Nov. 14	1-2	1 1-2	13 3-16	12 1-8
Nov. 15	1 1-8	1 3-16	14 1-2	12 1-8
Nov. 16	1 3-4	5	14 1-2	14
Nov. 17	1 1-2	3 1-2	15 1-4	14 5-8
Nov. 18	2 1-2	3 1-2	15 1-4	15 1-8
Nov. 20	2 1-2	3 1-4	15 1-4	12 1-8

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Nov. 14	5.30 3-8	.0645	.0863
Nov. 15	5.41	.0656	.0884
Nov. 16	5.51 1-2	.0671	.0900 1-2
Nov. 17	5.29	.0641	.0863
Nov. 18	5.25	.0636	.0856
Nov. 20	5.32	.0642	.0860

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Nov. 14	5.20 1-4	0.0634 1-2	0.0854
Nov. 15	5.32	0.0645	0.0867 7-8
Nov. 16	5.17 3-4	0.0630	0.0851
Nov. 17	5.08	0.0618	0.0833
Nov. 18	5.12 1-4	0.0621	0.0837
Nov. 20	5.14 1-4	0.0619	0.0833

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Nov. 14	0.3876	0.2262	0.3050
Nov. 15	0.3940	0.2297	0.3080
Nov. 16	0.3861	0.2243	0.3060
Nov. 17	0.3783	0.2194	0.3060
Nov. 18	0.3793	0.2219	0.3068
Nov. 20	0.3783	0.2212	0.3040

Weekly Bank Clearings

	Nov. 16 1933 $	Change year ago %	Nov. 9 1933 $
Halifax	1,743,761	+4.4	2,116,200
Saint John	1,480,417	+20.2	1,673,612
Sherbrooke	583,048	+0.5	646,537
Montreal	96,292,596	+36.7	97,698,692
Ottawa	3,697,724	+10.7	4,955,426
Kingston	457,662	—8.2	637,899
Peterborough	592,835	—1.7	657,839
Toronto	105,170,682	+51.9	108,423,951
Hamilton	3,188,328	+1.2	3,564,513
Kitchener	899,376	+25.0	1,063,102
Brantford	619,268	—18.8	835,094
London	1,973,572	—5.3	2,290,768
Chatham	458,278	+2.8	416,384
Windsor	2,212,772	+28.0	2,352,691
Sarnia	341,064	+6.4	427,177
Sudbury	645,036	+48.1	684,275
Quebec	3,735,995	+7.1	5,348,851
Moncton	529,025	—1.6	738,047
Ft. William	439,771	—13.3	690,334
Winnipeg	52,536,664	+51.0	51,778,238
Brandon	291,481	—5.4	349,816
Lethbridge	378,202	+3.8	546,819
Regina	3,394,329	+3.3	4,038,512
Moose Jaw	487,849	+6.1	559,483
Saskatoon	1,220,981	—13.5	1,565,084
Pr. Albert	277,093	+16.6	280,911
Edmonton	3,038,189	+0.6	3,541,828
Calgary	4,398,923	—21.8	4,854,390
Medicine Hat	172,620	—18.3	219,602
N. W'minster	359,190	+2.7	427,312
Vancouver	11,619,046	+16.4	12,922,330
Victoria	1,215,560	+2.9	1,426,605

SOUTHERN PINE FOR NEWSPRINT AGAIN TO FORE

Thorold Newsprint Machine Makes Commercial Run of Georgia Pulp

From Our Own Correspondent

MONTREAL.—One of the greatest threats against the supremacy of Canada in the newsprint manufacturing field has been the possible commercial utilization of southern slash pine in the making of newsprint paper. More than ordinary interest attached to the report this week, therefore, that pulp from southern pine had been transported from Georgia and converted into newsprint paper at Thorold, Ont.

For many years past the Southern pine has been the subject of exhaustive investigations with a view to developing some process whereby the wood could be used for the manufacture of pulp and then processed into newsprint paper. The fact that southern pine can be grown for commercial purposes in a fraction of the time necessary to bring spruce and other coniferous woods to maturity has been a strong attraction. Further the manufacture of paper can be carried out in the southern states at less cost than in the north, owing to the lower capital expenditure on plants, getting the wood to the mills, etc.

Problems to Overcome

Several investigations have been carried out, involving an outlay running into many thousands of dollars, but various difficulties have been run into making the use of Southern pine rather impracticable for commercial purposes. The core of the tree carries a large percentage of pitch, the eradication or reduction of which has been one of the major problems. It is now claimed that by using young trees this problem is eliminated.

Try Commercial Run

The principal research work in connection with the use of southern pine has been carried out in Georgia under the direction of Dr. Charles H. Merty. An experimental mill established at Savannah has been turning out newsprint in limited quantities, but the pulp from southern pine has not been given a thorough test in a commercial way until this month.

Nine Georgia papers made arrangements to transport several carloads of the southern pine pulp —25 per cent sulphite and the balance groundwood—to the Thorold plant where it is reported as having been run through the newsprint machine under normal conditions of manufacture.

Watch Silication Closely

In the light of established scientific accomplishment, producers do not deny the possibility of newsprint manufacture becoming economically feasible with southern pine groundwood as a base. Naturally they have followed the progress of the southern experiments with a great deal of interest.

It is pointed out that the manufacture of newsprint from such pulp has necessitated the addition of sulphite in quantities which detract seriously from the qualities of the paper, including its reception of ink, etc. The ideal newsprint, it is maintained, would be made from groundwood alone if this were possible. The percentage of sulphite mentioned is said to be materially greater than that contained in the pulp from which Canadian newsprint is made.

If this story from the southern pine belt were merely a goad to bring producers of newsprint in this country more closely into line with the price ideas of some United States publishing groups, it would not be the first time that such strategy had been resorted to. Southern pine has been used before as has also straw paper, along with imports of pulp and sometimes paper from Scandinavia.

While Canadian newsprint men do not maintain that the Atlanta scientific story is a bit of economic politics, it may be a significant fact that U. S. publishers just now are feeling the string of the N.R.A. whip. One thing seems certain and that is that Canadian producers will await with great interest the performance of the southern pine paper in Hoe presses.

Elected President

F. D. WOLTHAUSEN

Who was recently elected president and general manager of the Wolthausen Hat Corporation.

Export Demand Keeps Auto Plants Active

Continuation of the demand for Canadian automobiles in export markets was responsible for the comparatively good showing of Canadian factories in October, according to Dominion Bureau of Statistics figures. Total production was 3,682 units of which 2,766 were for export and only 916 were destined for domestic consumption.

Comparative figures follow:

Automobile Production in Canada

	Oct., 1933	Oct., 1932	Sept., 1933
For Export	2,766	2,232	3,356
For Home Market	916	691	2,452
Total	3,682	2,923	5,808

Elected Vice-President

J. P. LINTON

Who has just been elected vice-president of Robert Mitchell Co., Ltd. Mr. Linton is also managing director of The Garth Co., a subsidiary of Robert Mitchell Co.

PATTULLO TO SEEK AID FROM OTTAWA

Realizes That Coast Province Must Undertake Economies

From Our Own Correspondent

VANCOUVER.—Soon Hon. T. D. Pattullo, new provincial premier, will go to Ottawa to urge increased Federal assistance in respect to unemployment relief and the undertaking of public works as a means of giving effect to his "work and wages" policy.

Pattullo and the new Minister of Finance, Hon. John Hart, seem fully cognizant of the serious financial situation confronting British Columbia at the present time and the need for continued economy.

Gross debt of British Columbia stood at $159,000,000 at the first of November. The cost of unemployment relief has greatly added to the province's burden during the past year, and more than $10,000,000 has been expended on that account alone. Had the revenues been sustained the burden would not have been so great, but during the second quarter of the year revenues fell off and at present they are $800,000 less than at the corresponding time last year. The Government effected economies totalling $9,000,000 during the last three years, but this was insufficient to offset the decline in income.

In a statement given out at the expiration of his term in office J. W. Jones, retiring finance minister, stated:

"In the present fiscal year the estimated revenue was $20,497,000, and estimated expenditures $22,729,000, including full sinking provision of $2,421,000. Since April 1 continual economies have been made below our estimated expenditure, but so far the revenue has not been up to expectations.

"Although there was a slight surplus for the first quarter of the year, the second quarter did not sustain the surplus. The revenue for the first seven months of 1933 is some $800,000 below that of last year for the same period. So we must not be unduly optimistic about any increase in revenue during this fiscal year.

"The people of British Columbia, however, may be justly proud that we have ample sinking funds provided to meet maturities."

IMPERIAL BANK OF CANADA
59TH ANNUAL MEETING

Addresses of President and General Manager

POSITION VERY STRONG

Evidence of General Improvement

The Annual Meeting of Shareholders was held at the Head Office, Toronto, on Wednesday, 22nd November. The President, Mr. Frank A. Rolph, took the chair at noon, and in moving the adoption of the report said:

President's Address

Since I addressed you a year ago we have been passing through a period of uncertainty and adjustment, but during the past few months conditions have become more hopeful. The business of the Bank has been conducted on the usual sound principles of banking, and, as you will see by the Balance Sheet before you, net profits for the year are practically the some as last year, and we have continued the rate of dividend at 10 per cent. per annum, which seemed to be fully justified, and we hope you will concur with us in this policy. The results obtained are gratifying to the Directors, and, we hope, will meet with your approval.

GENERAL BUSINESS

Reports received from our Branches indicate that business generally is not yet good, except in a few instances, but on the whole it is distinctly better. Commodity prices are up, production is up, retail sales are better, unemployment is less, and consequently a lesser amount needed for unemployment relief.

In **British Columbia** we find that the lumbering, fishing and mining industries are all enjoying better conditions. The Port of Vancouver continues to handle large quantities of grain and other commodities. The political situation there has been clarified, and the people, generally speaking, are in a happier and more hopeful frame of mind.

In the **Prairie Provinces** the wheat crop is still considerably below the average and prices unsatisfactory, but reports would indicate that the people are in a more hopeful frame of mind. The farmers are still in much distress, but they are deserving of praise for the courage they show in carrying on under very difficult circumstances. Some have been able to make a reduction in their debts, but it is still necessary for financial institutions to extend credit where justified These conditions are likely to obtain until there is a greater diversification in the farmer's products. Owing to the quotas obtained on behalf of Canada by our Prime Minister, the outlook for the producers of wheat, bacon and other products is much more satisfactory today than it was a year ago, but Canada has not yet been able to take its full advantage of the quota for bacon and other similar products to Great Britain owing to the scarcity of hogs, but with rising prices it is to be hoped that the farmers will find it profitable to raise more hogs of the right type in order that they may take advantage of the opportunity afforded.

In **Ontario** we find conditions much more encouraging. The mining industry is prosperous, manufacturing on the whole has improved considerably, unemployment throughout the Province has been considerably reduced. The newsprint situation shows increased production, but prices altogether too low to render operations profitable. I repeat what I said before, that it seems most unfortunate that we have not taken advantage of the wonderful timber areas which nature has provided to obtain adequate returns from the products, most of which are being exported without any profitable return for either the newsprint mills or the country as a whole.

In the **Province of Quebec** and in the **Maritime Provinces** conditions are also distinctly better. Our Branches do not extend greatly into those territories, but all reports indicate a decided betterment both in volume of production and in prices obtained.

The improvement in Canada's trade, both import and export, began in May last and continued during the succeeding months, the exports for the month of September being larger than for any month since May, 1931. Canada's trade balance for the first six months of this year compared with the same period last year shows an increase of over fifty million dollars. This is very encouraging.

Exchange. We are looking with much interest to the development of the great experiment which our friends in the United States are making. We wish them well, but in the meantime it creates a condition of uncertainty in regard to the value of currency and considerable disturbance in carrying on business, and we hope the time will not be far distant when a more stable condition will prevail which will enable the world to carry on the exchange of industrial commodities without being subject to the abnormal conditions of exchange at present maintaining, but it is difficult to see how this can be accomplished until the great question of reparations has been satisfactorily dealt with and the Gold Standard restored in some form or other.

RAILWAY MATTERS

The people are still awaiting the appointment of a Commission to handle the railway affairs of the nation. There is no more important or more pressing problem in this country than our railways, the Government-owned portion of which continues to be such a steady drain upon the resources of the people. It is to be hoped the appointment of a Commission will soon be completed, with an adequate personnel for this important task, and that a basis for greater co-operation and for reduction of unnecessary and wasteful expenditure, which will be fair to both railway systems, will be found.

BALANCED BUDGETS

There is evidence that individuals, corporations, Governments and municipalities are beginning to realize that they must keep their expenditures within their incomes; in other words, balance their budgets. This is another hopeful indication, and while much still remains to be done along these lines, it is becoming generally recognized that taxes must be measured by the ability to pay and not by the capacity to spend.

CENTRAL BANK

The report of the Royal Commission on Banking and Currency has just recently been issued. It contains a number of complimentary references as to the manner in which Canadian banks have carried on during a time of universal, economic difficulty, and recently in the press Lord Macmillan and Sir Charles Stewart Addis have expressed themselves in very complimentary language as to the service rendered throughout Canada by Canadian Chartered Banks. The outstanding feature of the Report is the recommendation in favor of the establishment of a Central Bank in Canada, and that an enquiry be instituted by the Dominion Government to investigate the existing organizations for the provision of rural credit, with a view to the preparation of a scheme for the consideration of Parliament. I still maintain the position taken by Mr. Phipps and myself a year ago that a Central Bank is not requisite or desirable for Canada. I think this opinion is held by all of the other Canadian Chartered Banks. Canada's position in this regard was very clearly expressed by two of the Commissioners, Sir Thomas White and Mr. Beaudry Leman, both of whom are outstanding authorities in regard to Canadian banking, and both of whom dissented from the recommendation for the establishment of a Central Bank, and expressed most sound reasons for doing so. It is sincerely to be hoped that the Prime Minister and his colleagues at Ottawa will give very careful consideration before putting into effect any measure which will disturb the financial situation in Canada at a time when we are beginning to emerge from many of our financial difficulties. Undoubtedly fresh disturbance would be caused by such a fundamental change in our financial system, and in my opinion it would hamper rather than help us in dealing with our financial problems. Any benefits in international finance and exchange would largely go to Great Britain, and while there is no more desirable tie-up for Canada in matters of international finance than with Great Britain, we should not be called upon to make the very considerable sacrifice which would be incurred if a Central Bank is established along the lines suggested in the Report.

Let me repeat what I have said on former occasions. We Canadians have a great heritage—let us prove worthy of it. We are passing through strange and troublous times. Let us keep up our courage and carry on our tasks from day to day and keep our heads clear and level. I am not prophesying anything as to the future, but conditions are certainly better than they were, and there are many definite signs of improvement. Let us avoid strange paths which may lead us to disaster.

I would once more like to express my high appreciation to the entire staff of the Bank for their continued interest and faithful service and for the efficient manner in which they have carried on their work.

MR. A. E. PHIPPS,
General Manager

The remarkable feature of the statement in our hands today is the similarity compared with a year ago in the amount of earnings and in the major items in the Balance Sheet.

The profits are $1,204,038.70, just $1,300 less than the profits for the year ending October, 1932. After paying the dividend at the rate of 10 per cent per annum and making the usual provision for Guarantee Fund, Pension Fund and taxes, we have reserved $250,000 for contingencies and added $36,538 to the amount carried forward.

GENERAL STATEMENT

Notes of the Bank in circulation, $7,900,218, stand at practically the same figure as a year ago.

The deposits not bearing interest, $21,148,927.38, are nearly five millions in excess of last year.

The deposits bearing interest $83,300,122.47, are approximately the same—just $27,000 less than they were at the end of 1932.

Advances under the Finance Act, $1,590,000, represent the Bank's share of a loan of $35,000,000 to the Dominion Government, which, as you may have noted in the newspapers sometime ago, was arranged to be carried in this way. This is a new heading in our annual statement.

The other liabilities, such as accounts between Banks of Canada and abroad and Letters of Credit outstanding, are $4,794,014.67, an increase of some $630,000. The increase is in the amount of Letters of Credit outstanding.

The total liabilities to the public of $118,733,282.52 are $6,650,000 more than in 1932, the increase being largely in demand deposits, which are unusually high owing to there being a sum of three million dollars on deposit for redemption on 1st November of a bond issue domiciled with the Bank.

CASH ASSETS $22,366,607

Current coin, Dominion Government notes and United States and other foreign currencies total $9,983,497.15, compared with $8,379,242.44 a year ago.

Deposits in the Central Gold Reserves, in the Circulation Fund, notes and cheques of other Banks, and balances due from other Banks in Canada and abroad, total $12,383,109.92, bringing our total cash assets up to $22,366,607.07, which equals 18.83 per cent of liabilities to the public.

INVESTMENTS $29,224,564

Dominion and Provincial securities not exceeding market value, $22,849,083.16, are $3,200,000 up; Canadian Municipal securities not exceeding market value, $6,209,590.51, are $500,000 up. Railway and other bonds, $165,890.57, show a decrease of $4,000. Total investments in Dominion Provincial, Municipal and other bonds, $29,224,564.24, approximately $3,750,000 more than last year.

Loans to Provincial Governments, $2,878,575.88, are about $200,000 down. Loans to Cities, Towns, Municipalities and School Districts at $8,540,192.46 are some $550,000 less. Call loans, with securities of sufficient marketable value to cover, are $5,987,721.87, about $600,000 up.

QUICK ASSETS $68,996,000

Adding together the amounts I have mentioned in the preceding three sentences we get a total of quick or readily realizable assets of $68,996,000, or 58 per cent of the Bank's liabilities to the public.

Current loans and discounts, after making full provision for bad and doubtful debts, stand at $57,465,120.06, almost exactly the same as last year.

The other accounts also show an improved position. The Bank Premises account stands at the same figure that it did a year ago, all expenditures in that connection having been charged to expense.

The total assets of the Bank are $134,491,101.26. A year ago they were $127,792,665.68.

BRANCHES

The Branches of the Bank now total 199. We have during the past year closed 12 Branches and seven sub-offices.

SHAREHOLDERS

The shareholders of the bank total 2,645, compared with 2,640 a year ago. The shares held by the residents of the United States number 8,568, divided amongst 343 shareholders, compared with 8,976 shares and 360 shareholders last year.

STAFF

With the reduction in Branches there has been a corresponding reduction in the number of staff, the total being now 1,380, compared with 1,469 a year ago.

CENTRAL BANK

In a press cable from London, Nov. 15, Lord Macmillan is reported as saying "nothing impressed Sir Charles Addis and myself more than the high character, sense of responsibility and integrity of the bankers of Canada." I think that without undue vanity I may presume to agree with these views expressed by Lord Macmillan, for whose ability and high sense of public duty I have the greatest regard, and I am sure we all appreciate very much his coming to Canada and working as hard and untiringly as he undoubtedly did to produce a very exhaustive and very accurate report in a very short time. As you know, the Commission was not unanimous, the two Commissioners forming the dissenting minority consisting of a very highly trained and experienced Canadian banker and one of Canada's most successful former Ministers of Finance. As a banker of over forty years' experience, I believe that these two experienced Canadian financial men are more likely to be correct in matters concerning Canadian finance than even the very distinguished gentlemen who came to their conclusions after an examination of the Canadian situation lasting approximately two months. I am still of the opinion that the expense and disturbance of creating a Central Bank at this time is unnecessary, and might even be mischievous, and that certainly nothing should be done until the entire project has received a great deal more study by our government, who, I think, would be well advised to pay more attention to the views expressed by the Canadian Bankers' Association before the Commission, and consult freely with the Canadian bankers, who have at heart nothing but the welfare of this Dominion.

On Monday night we had the benefit of listening to a broadcast from Ottawa. There was nothing brought out with reference to the functions of a Central Bank which in my mind could not be performed as well or better, and certainly much more cheaply, by direct government action, and making use of the banking facilities which the country already has. One of the highlights of the address was the issuing of currency against a gold backing of 25 per cent, thereby making available for issue approximately one hundred million dollars more Dominion of Canada notes. As to the soundness of this proposal, I have nothing to say as yet, but a Central Bank is not necessary to bring about such a change in the country's note issue—an amendment to the Dominion Notes Act which could be put through parliament in about half an hour would bring about the same result.

The President and myself both stress very strongly our objections to a Central Bank, but I don't want the shareholders to get the idea that it is because we fear the competition of a Central Bank. Our objection is that we believe it is unnecessary, and that the present time is inopportune to interfere with the banking structure of Canada The Canadian Banks have always been able to adjust themselves to circumstances, and we feel that if a Central Bank is established we will be able to adjust ourselves to the new conditions that are brought about.

I have thought it well to add these few words because since the publication of the report on Banking and Currency there appears to have been a marked increase in the sale of all Bank shares, with a corresponding decline in prices, and we don't like to see our shareholders sacrificing their investment unnecessarily.

EMERGING FROM DEPRESSION

In spite of the fact that money conditions are still much disturbed, particularly in the United States of America, I believe that Canada and the rest of the world are slowly emerging from what has been termed the great depression. It is hard to definitely describe the improvement, but a comparison of the condition of business, unemployment, commodity prices, bond and stock values, and other indicators, with a year ago makes the improvement at once apparent, and as we go from day to day we see similar signs. For instance, within a week we have been told in the press that the national revenue for October showed an increase of $2,569,000 compared with a year ago; that Canadian exports for October were greatly increased over a year ago, and reached the highest point since late in 1930; that copper production has risen over September by 8.7 per cent, and that International Nickel Company's profits have doubled, totalling the huge sum of $3,770,000 for the third quarter ending September; that gold production in October in Ontario totalled $3,450,000, not taking the premium into account, which was an improvement over October of last year and over September of this year. The production of our mines from month to month makes a very substantial addition to our national wealth. Among the features that remain unsatisfactory may be mentioned the depressed condition of all branches of agriculture, construction work of all kinds, which means the production of lumber, steel and other materials, and the continued unsatisfactory condition of our railways.

FORECAST

In our own instance the moderate increase in our total assets and the fact that we have been able to earn as much as we did in 1932 and put a little to one side for contingencies is a fulfilment of my closing remarks last year that the Bank could look confidently toward the future, and I hope that if and when I meet you again next year I will be able to present still more substantial evidence of the correctness of that forecast.

The following shareholders were elected directors: Frank A. Rolph, Lieut.-Col. J. F. Michie, R. S. Waldie, George C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway, A. E. Phipps, Henry E. Sellers (Winnipeg), Gordon H. Aikins, K.C. (Winnipeg), R. O. McCulloch (Galt), W. B. Woods.

At a subsequent meeting of directors Mr. Frank A. Rolph was re-elected President, and Col. J. F. Michie and Mr. R. S. Waldie Vice-Presidents.

Insurance for Buyer and Seller

SPECIAL MEET OF LIFE OFFICERS TO CURB ABUSES

Agency Problems Up for Solution During December

ANNUAL CONCLAVE

Lower Cash Surrender Values Urged by President J. H. Lithgow, of Manufacturers

Announcement of a special general meeting of the Canadian Life Officers' Association to be held December 11 to discuss concerted action in the war on "twisting" and switching of insurance contracts, and other agency matters, was made at the annual meeting of the association held at Toronto last week.

Recommendation that the meeting be held was urged by J. G. Parker, actuary of the Imperial Life Assurance Co. who reported to the meeting as chairman of the joint committee of office and field force officials. He and J. B. Hall of the Sun Life, stressed the very important work being done by this committee in handling complaints against twisting and switching of policies from one company to another. The committee will submit definite proposals in regard to selection and elimination of agents, and other agency problems, for the consideration of the insurance executives at the time of the special meeting.

General reduction of cash surrender values was urged by J. H. Lithgow in his presidential address. Terminations he noted were last year four times what they were in 1923. Over $200,000,000 had been paid out in the past five years alone.

"Most companies," he said, "solely due to the surrender values guaranteed in their policies, find it necessary to hold higher reserves than would otherwise be required to fulfil policy obligations. The granting of these liberal surrender values requires not only maintenance of unnecessarily large surpluses and reserves by the companies, but investment of unnecessarily large proportion of their funds in liquid securities, the effect of which results in an increased cost of insurance to the policyholder."

"It would seem that careful consideration should be given to this problem now and that a general reduction in the scale of surrender values allowed on policies to be issued hereafter would be in the best interests of the business."

Policy Loans Decline

Demand for new policy loans in the six months ending June 31, 1933, said Mr. Lithgow, have shown a marked decrease while amounts being repaid in cash by policyholders on their loans is gradually increasing.

Mr. Lithgow drew attention again to the mounting burden of taxation which he said indicated clearly, "the need for still further rigid economy in the disbursement of public funds, which after all lies at the root of the very high taxation to which the Canadian people are subjected." He referred to data showing that the total expenditure of the federal, provincial and municipal governments in 1932 represented 35 per cent of national income in 1932 against 14 per cent in 1928.

Unemployment Insurance

Other speakers included E. S. Macfarlane, secretary of the Manufacturers Life who reviewed the work being done by member companies in respect of public health activity; Dr. J. G. Fitzgerald, dean of the Faculty of Medicine, U. of T., who praised the companies for work in aid of medical research and education; L. K. File, associate actuary of the Canada Life and Hugh H. Wolfenden who discussed social insurance trends with particular reference to unemployment insurance. Mr. Wolfenden has recently completed for the association an exhaustive study of unemployment insurance legislation in all parts of the world.

The work of the committee charged with planning the institutional advertising campaign for member companies of the association was outlined and discussed by J. F. Weston, managing director of the Imperial Life and chairman of the committee and by William Wallace, supervisor of field service, Confederation Life Association, and chairman of the working committee.

All officers of the association were re-elected for another term of office, as follows:

President, J. H. Lithgow, Manufacturers Life; first vice-president, Ford S. Kumpf, Dominion Life; second vice-president, V. R. Smith, Confederation Life; hon. secretary, H. W. K. Hale, Sun Life Assurance; past-president, G. Cecil Moore, Imperial Life. Executive: A. H. Beaton, National Life; C. C. Ferguson, Great West Life; W. Clark Kennedy, Standard Life; D. E. Kilgour, North American Life; A. N. Mitchell, Canada Life; E. E. Reid, London Life; W. H. Somerville, Mutual Life; H. D. Wright, Metropolitan Life.

Brewing Industry Sales Were 22 p.c. Lower in '32

Output of the Canadian brewing industry in 1932 had a value of $38,212,192 which represented a decline of over 22 per cent from 1931 valuation. Beer, ale, stout and porter were the main items of production with an output of 42,787,941 gallons, valued at $36,819,938. Output of these products in 1931 was 50,844,524 gallons valued at $46,788,396.

There were 75 establishments engaged in the production of malt liquor which represented a capital investment of $57,398,055 in fixed and current assets. Employment was furnished to 4,353 persons who were paid $5,932,225 in salaries and wages while $10,210,482 were spent for materials and containers.

Manufacturers Appoints Young Manager at Victoria

George C. Young, C. L. U., has been appointed district manager at Victoria, B.C., by the Manufacturers Life. Mr. Young succeeds R. W. McClung. Mr. Young joined the Manufacturers Life in 1926 and made a success in his first year. He has been connected with the Winnipeg branch.

Immediately prior to entering the life insurance field, Mr. Young was assistant registrar at the University of Manitoba. During the war he served as an officer in the 14th Battallion, C. E. F.

Ordinary Life Insurance*

	1928	1929	1930	1931	1932	1933
January ..	$47,569,000	$49,789,000	$45,074,000	$41,188,000	$37,331,000	$29,367,000
February ..	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000	26,323,000
March	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000	29,763,000
April	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000	29,770,000
May	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000	30,497,000
June	51,884,000	53,402,000	54,168,000	46,227,000	40,963,000	32,398,000
July	49,492,000	54,809,000	46,505,000	39,977,000	34,469,000	30,255,000
August ...	43,503,000	41,329,000	36,249,000	35,738,000	28,370,000	27,263,000
Sept.	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000	25,381,000
October ..	55,743,000	50,894,000	44,527,000	36,006,000	29,858,000	31,253,000
Nov.	54,865,000	55,624,000	46,186,000	38,860,000	34,003,000	....
Dec.	56,647,000	54,189,000	49,026,000	47,163,000	33,483,000	....

Total, 1st 10 months, 1933 .... $292,370,000
Total, 1st 10 months, 1932 336,437,000

Decrease, 1933 to date, 13.1% .... $ 44,067,000
Increase, October, 1933, from October, 1932, 4.7% 1,395,000

*By 14 companies having in force 83 per cent of total outstanding business in Canada. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut.

Two Main Branches Of Business Insurance

As Shock Absorber It Compensates for Loss of Life — Enables Survivors to Buy Deceased's Interest

By R. M. HAULTAIN

A banker remarked to the writer that his experience is that a firm without business insurance usually hobbles along for a while after a partner's death fighting unforeseen contingencies, and then disintegrates.

This prompts the question "What different kinds of business insurance are used to prevent disintegration?"

Contingencies to be Faced

The "unforeseen contingencies" to be insured against may be summarized in a partnership or a close corporation as:

A. Problems of the survivors from the managerial viewpoint:

(1) Credit shrinkage;

(2) Nervousness on the part of creditors resulting in pressure that cripples activities;

(3) Time-consuming difficulties with the deceased's relatives leading in many cases to litigation.

(B) Problems of the deceased's family. Should the widow protect her interests and earn her living by taking her husband's place or should she try to find a buyer?

Performs Two Functions

The general term "Business Insurance" as applied to the solution of these problems may be divided into two separate and distinct categories (1) shock insurance. (2) The business life insurance trust agreement.

1. **"Shock" Insurance**, which is simply cash paid to a firm to help tide over the dificulties caused by the loss of a man who fills an importance place in that business.

In the case of the smaller business owned and managed by one man, he is the main asset of that business to the tune of probably 80 or 90 per cent. Remove him and it is only necessary to recall to mind instances with which we are all familiar to visualize what happens to the business.

Almost any city daily newspaper, almost any day, carries one or more advertisements offering a business for sale at a bargain on the grounds that "everything must be sold on account of death of owner." What a difference the existence of a simple document in the form of a shock insurance policy would make in these advertisements!

Meets Many Needs

Other requirements for "shock" insurance are:

1. Protection against death of endorsers of firm's paper;
2. Protection for endorser against death of manager or valuable technical man;
3. Protection of bank credit;
4. Protection of trade credit;
5. Provision of cash to attract a competent successor;
6. Provision of cash to retire a mortgage or a bond issue;
7. Provision of cash to guarantee dividends.

There is nothing technically complicated about the handling of a shock insurance case.

The Trust Agreement

2. **The Business Life Insurance Trust Agreement**, which consists of a written agreement, financed by life insurance, selling to the survivors in a partnership or a close corporation the interest of the deceased for cash, or selling the sole ownership business to one or more selected employees.

The development of the principles governing these agreements has been a slow process, on sound lines. Legal, banking, accountancy, trust company, insurance and general business brains have all contributed to the development.

The result is that these unforeseen contingencies can now be anticipated and prevented in a simple yet effective manner.

Has Many Advantages

The advantages of a cash sale when a business partner dies are obvious. The survivors are not forced to raise money at an awkward time and are not burdened with interest payments during the period of readjustment. The family of the deceased is not dependent on the survivors' ability to pay. The cash is provided at exactly the right time by the life insurance policies interlocked with the written agreement. This method of financing the agreement releases capital for use in the business that would otherwise have to be kept in reserve. It also builds a liquid sinking fund that can be used in case of emergency.

Each case has its individual peculiarities calling for an intelligent diagnosis and the correct application of the recognized principles.

Friendly Agreement

The agreement is in spirit a friendly arrangement between partners but even so it must be definite and precise in its instructions to the impartial trustee who will value the deceased's interest when the time comes and effect the stock transfers. After the agreement has been planned by the business insurance underwriter it should be put into legal form by a lawyer.

Summaries of the points to be covered in these agreements for different types of business situations will be included in subsequent articles in this series.

Sole Ownership Business

The man who is the sole owner of a business, large or small, will be well advised to find out what he can accomplish by using an agreement of this nature. It is a powerful instrument for creating incentive in key employees on the principle of mutuality of interest between owner and employee.

Briefly, the plan is as follows:

The owner wishes to:

(1) Strengthen his credit;

(2) Get better efforts from his employees;

(3) Establish a sure cash market for his business at full price if he dies;

(4) Secure the life-time loyalty of one or more proven employees by providing the machinery through which they can build themselves a pension if the owner lives and they do not acquire the business.

He accomplishes all these objects with the one plan, a friendly arrangement in black and white between himself and one or more selected employees.

Impartial Valuation

The agreement states that in the event of the owner's death the business will be valued by an impartial trustee and sold in whole or in part to the employee. The cash to buy the business is provided by an insurance policy which the employee carries on the owner. If the owner lives to see his son take over the business the agreement can provide that the insurance policy will be used to provide a retirement fund for the employee.

To put the whole plan within the employee's reach the premium deposit money may be provided by linking the Business Life Insurance Trust Agreement up with the firm's bonus or profit-sharing plan. If the employee draws his bonus in cash, bald statistics tell us that some accident usually happens to his investment plan before the day comes for that employee to be replaced by a younger man. If he applies it to the Business Life Insurance Trust he will be assured either of ownership of the business or a sure retirement fund depending on whether the owner dies or lives. From the viewpoint of the employee who is willing to work for these objectives the set-up is very desirable.

Credit is Strengthened

From the owner's viewpoint the stimulus provided for the employee will probably result in a more profitable business. The credit of the business is strengthened if the business life insurance is reported to the Mercantile Agency, as credit men then know that the business will be continued in experienced hands if the owner dies and will not be permitted to become run down and sold on the bargain counter.

It is thus readily seen why the Business Life Insurance Trust Agreement is a strong bulwark against bankruptcy.

As the agreement is planned round the policies, the insurability of the owner should always be established as the first step and the policies made available for acceptance or rejection before any indication is given to the employee selected of what the owner has in mind. This prevents an awkward situation if the plan is discussed and the owner is then found to be uninsurable.

This is the second in a new series of articles on Business Insurance by R. M. Haultain. The next articles in the series will discuss the unforeseen contingencies that arise when a principal and active shareholder in a close corporation dies.

Business Insurance Feature Articles

In response to a large number of requests from bank managers, chartered accountants, life underwriters and business executives, The Financial Post has arranged to continue on a considerably broader and more comprehensive scale, the series of articles on "Business Insurance" which appeared from the pen of R. M. Haultain, earlier this year.

These articles and those which will appear in subsequent weeks are believed to be the first attempt yet made to provide a complete, authoritative survey of this very important subject, from the purely Canadian viewpoint.

The second article in this new series appears this week.

MACAULAY URGES INSURANCE FUND FOR UNEMPLOYED

Build Up Reserve in Good Times — Might Follow Old Age Pension Scheme

Immediate consideration of a scheme of compulsory contributory unemployment insurance is advocated by Hon. Leopold Macaulay, provincial minister of highways for Ontario, who believes that such a scheme should be established during a period of prosperity. He suggested that if the Federal Government and the provinces could not agree as to the legal means of bringing such a plan into effect, it should be introduced in the manner of the Old Age Pension Act with those provinces privileged to accept it which desired to do so.

Mr. Macaulay admitted that the definition of Government responsibility for initiating such a policy presented some difficulties since both the Dominion and the provinces have certain legal rights under the British North America Act and he doubted if the Dominion could force the scheme on the provinces without their consent. He mentioned, as an example, that the Dominion had not as yet been able to get the province of Quebec to accept old-age pensions. He did not believe that unemployment insurance could yield any more relief at the present time or meet the situation any more satisfactory than the system of direct relief under which Ontario has been operating.

The time to build up revenues for a plan of compulsory contributory unemployment insurance is "in the good times." Such a system to be sound had to be on a basis of contribution and the proportion of contribution to be fixed between Government, employer and employee, would require careful study. One difficulty of such a plan would be the necessity of convincing the farmers of the country that the plan is a good one if some compensation from other sources was not forthcoming to the farmer.

Insurance Inklings

J. ROSS STEWART and JESSE M. WALLER have been elected vice-presidents of Aetna (Fire) Insurance Co. and two of its subsidiaries, World Fire & Marine Insurance Co. and Century Indemnity Co. Mr. Stewart is a native of Canada and entered the insurance business in 1904 on the staff of the Canadian Fire Underwriters' Association. Later he became vice-president of the Association. After serving as inspector for the Royal Insurance Co. in Western Ontario, he became, in 1912, a special agent for the Aetna Insurance Co. in charge of the Canadian field from Nova Scotia to Manitoba. He went to Hartford in 1923 and was assistant secretary in direct charge of the company's underwriting in Canada. Later the States of New York, Pennsylvania, Maryland, Delaware and the District of Columbia were added to his jurisdiction. Mr. Stewart was formerly a vice-president of the Canadian Fire Insurance Association.

The Commercial Life Assurance Co. of Canada with head office at Edmonton, has just issued a new policy known as the Commercial Life ready cash policy which is issued on the ordinary life, 20 payment life, 12 year, 16 year and 20 year endowment plans. It is a participating policy containing a disability benefit, an accidental death benefit and a draft by which, in the event of the policy becoming a claim, the beneficiary may go to any bank in the country and obtain $100 at once. The face value of the policy is $365 which is increased to $500 if the death of the insured results from accidental causes. In the event of total and permanent disability the company will pay $185 in cash and waive the payment of all future premiums falling due.

R. W. McCLUNG has retired from the managership of the Vancouver Island Branch of the Manufacturers' Life Insurance Co. after 20 years of activity in the insurance business. Mr. McClung was manager for Southern Alberta with headquarters in Calgary from 1923 until last year and had previously served the company in Manitou, Winnipeg and Edmonton.

WILLARD C. ADDY has been appointed supervisor of the Great-West Life in Minneapolis. Mr. Addy joined the Great-West Life in 1922 and has qualified nine times as a member of the Hundred Thousand Club. He was educated in Minneapolis public schools and the University of Minnesota and started his insurance career some 30 years ago.

Managing Director

G. BLAIR GORDON

Who succeeds the late F. G. Daniels as managing director of the Dominion Textile Co.

Officials Directing Business Equipment Show

T. R. CRAYSTON
President

R. A. McDOUGALL
Vice-President

D. E. BISSELL
Secretary-Treasurer

Officers of the Canadian Business Equipment Manufacturers' Association, under whose auspices the third Annual Business Equipment Show will be staged for a week, commencing November 24, in Eaton's College Street store in Toronto. These officials have arranged for the latest methods and inventions recently displayed at the New York National Show, to be introduced in Canada for the first time at the Toronto Show.

Best Gain in Four Years For October Life Sales

The best comparative monthly showing in four years is seen in October sales of ordinary life insurance in Canada and Newfoundland as reported by the Sales Research Bureau of Hartford. October sales at $31,253,000 were 4.7 per cent above the corresponding figure for 1932 and were almost six million dollars ahead of the September sales record.

The best showing was from Quebec where sales were 23 per cent above the October, 1932 record. Sales in that province last month were over the $11,000,000 mark. Ontario business was better by 1 per cent than a year ago while British Columbia recorded a 10 per cent increase and business in Prince Edward Island was higher by 50 per cent. Newfoundland showed improvement also with an increase of 9 per cent.

In sharp contrast is the trend in the United States where life sales of ordinary business for October as reported by the Life Insurance Presidents' Association, are lower by 3.3 per cent as compared with the same month in 1932. Total sales for the first ten months to date are down 15.7 per cent in the U. S. A., while in Canada the decline for the year to date is now only 13.1 per cent.

Comparative figures for each province and Newfoundland, follow:

October Sales of Ordinary Life Insurance

	1933 $	1932 $
Alberta	1,224,000	1,484,000
British Columbia	1,986,000	1,802,000
Manitoba	1,566,000	1,849,000
New Brunswick	648,000	743,000
Nova Scotia	910,000	948,000
Ontario	12,606,000	12,498,000
Prince Edward Island	89,000	58,000
Quebec	11,014,000	8,928,000
Saskatchewan	1,210,000	1,347,000
Newfoundland	219,000	201,000

Many Companies Have Apparatus To Condition Air

Announcement that the Gilson Manufacturing Co., of Guelph, Ont., has placed on the market an apparatus known as the "Gilson Weather Maker," adds one more to the list of industries which have recently become actively interested in the manufacture of air conditioning apparatus.

Interest in the humidifying of air in winter and cooling and cleaning in summer is very strong among manufacturers of household appliances, although The Financial Post learns that the small volume of new building is holding up marketing plans for complete units by one or two firms. For example, the president of a large concern which, among other lines, manufactures a range of furnaces, told The Financial Post that after research his firm had evolved a heating, humidifying and cooling unit which would sell for around $250; release of this apparatus is held up, however, pending the return of a larger market.

"Comfort cooling" is the theme on which air conditioning will ride to public favor, refrigeration engineers believe, while heating engineers have approached the subject from the angle of increasing humidity in homes and buildings during the season of the year when artificial heating is required. However, in almost every case, apparatus which will accomplish one service can be easily converted to perform the other.

Travelers' Fraternal May Now Operate

Commercial Travelers' Mutual Accident Association of America with head office at Utica, N.Y., has recently been authorized by the federal insurance department at Ottawa, to transact business in Canada as a fraternal benefit society.

This organization was one whose name was included in a list published recently by the federal insurance department, of societies which had agreed not to solicit new business in Canada on the understanding that they be allowed the use of Canadian mails only to communicate with existing members.

This ban is, of course, now removed.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Life Insurance Trust

I am a married man of 38 who would like to retire at 60 and leave an adequate income for my wife, who is now 34.

My insurance is:

Great West Life—$5,000 paid up.

Metropolitan—$1,000 20-pay life, 15 years paid.

Metropolitan—$1,000 20-year endowment, nine years paid.

Excelsior—$3,000 20-pay life, eight years paid.

Sun—$5,000 group.

Excelsior—$12,500 27-year investment, one year paid.

In addition to a salary of $2,100 a year I have an income of $700, which goes to my wife at my death. The above insurance costs me $500 a year.

I should appreciate it very much if you would give me your advice as to any changes which you think I should make, and if you need to have any further information before doing so, I shall be glad to furnish it.

As you are now putting more than one sixth of your income into life insurance and insurance investment, there is little advice to give you as to further purchases along this line.

You have apparently been able to do something which few men are both able and willing to achieve; namely, build up a combined savings and insurance fund by means of endowment or limited payment life policies.

Obviously, the next step is to consolidate these policies as they mature so that the funds you have accumulated in this way will be retained safely and intact until you reach age 60.

This can be done in many ways, either directly with the individual insurance companies concerned, or else by means of some plan of insurance trust which could be worked out with any capable estates officer.

You would probably be well advised to have a chat with some estates officer who has studied this question of a life insurance trust so that the money you are now accumulating can be made available for the future in the most satisfactory way. Subsequently you could have your lawyer embody any desirable suggestions in a will to conform with the suggestions of the estates official.

Salmon Pack Larger

The British Columbia salmon pack up to November 8 totalled 1,235,486 cases, an increase of 189,820 cases over the same period last year.

Alberta Produces Honey

Honey was a good crop in Southern Alberta the past season, one large commercial firm taking off some 120 tons and another individual operator taking off about 60 tons. The total honey crop is expected to be somewhat larger than last year.

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Lack of Export Control Proving Costly to Farmers

Apple Glut in England Cited as Example of What Happens When Shippers Do Not Co-operate

By J. K. ROSS-DUGGAN
Editor Canadian Trade Abroad

On November 14, the press quoted Andrew Fulton, commercial representative of the Ontario Fruit Growers' Association in London, England, to the effect that arrivals of Canadian apples at the rate of 150,000 to 250,000 barrels a week had knocked the bottom out of the British apple market.

On the same date, the press carried the news of a new all-time record for apple exports from Port Williams, Nova Scotia, of 18,000 barrels in a single day.

Does this constitute orderly marketing?

Both Ontario and Nova Scotian growers are this year exporting every kind, variety and quality of apples to Britain. Early in September, both The Financial Post and Mr. Fulton warned against this course, yet this procedure has gone on to the point where there is now a positive glut of unsuitable grades and varieties and no market at all for greenings.

Do Not Stand Transit

The principal varieties being received in Britain are of the soft kind which must be sold promptly. Press reports state that Greenings and McIntosh will not stand cold storage after arrival in Britain, as variations of temperature during transit advance the ripening process too far in these varieties. Prices, therefore, must be slaughtered.

Another result is that British apple growers are complaining bitterly of disorderly Empire competition running down prices for their fruit. Australia and New Zealand also glutted the British market during the summer season. I am advised from London that the National Farmers' Union is pressing the British cabinet for government regulations to fix a quota for Empire apples or arrange marketing seasons for British and Empire fruits, to avoid clashing.

Need Export Plan

There is still time to head off these definite restrictive policies, if Canadian growers will only get together and agree on a plan of Dominion export marketing.

The general remedy for the above condition was outlined in my article in the Sept. 9 issue of The Financial Post, where I stressed the necessity for the export of the best grades of products in accordance with the ascertained demand of the overseas markets. In the Oct. 28 issue of The Financial Post, I went into very complete detail regarding systematic marketing of apples.

The present position is beyond any existing form of control. The real trouble is that many apple growers lose sight of the commercial objective and concentrate on production. There is need for the application of ordinary business methods to apple and other primary exports. A community of interest must be aroused leading to the development of a rational and co-ordinated marketing plan.

A great deal has been done by the Ontario Fruit Growers' Association but it requires a larger membership to be thoroughly efficient. It is also necessary for the British Columbia and Nova Scotian apple growers to organize themselves provincially, and then for some means to be found to co-ordinate the export shipments of all three apple provinces.

In fact, it is squarely up to all associations of producer and independent producers of such products as grain, potatoes, fruit, bacon, cheese, etc., to get together and discuss a Dominion export policy. There is plenty of practical marketing data available for study and reference. The British Agricultural policy was explained in the Oct. 7 issue of The Financial Post. In the Oct. 14 issue was a complete outline of Danish marketing methods. New Zealand export policies were fully treated in the Sept. 16 issue. Australian and South African marketing policies will be referred to in future articles.

There may be need of statutory authority to authorize provincial or Dominion export marketing associations. It is definitely necessary that some control be established to iron out such a chaotic marketing situation as now exists with regard to our British markets.

The Ottawa agreements have given many Canadian industries a preferred position in the British market. Producers must co-operate immediately in the development of an export marketing policy to get the full benefits of these valuable preferences. Otherwise the present opportunity may be irretrievably lost.

A start may be made at a meeting of representatives of primary producers from all over the Dominion to be held in Toronto on Nov. 27-29 to discuss Dominion export marketing policy.

Newfoundland Mills

An improved outlook for Newfoundland's lumber industry this season is claimed by G. T. Phillips, mill inspector for the Department of Agriculture and Mines, who recently made an extended tour of inspection throughout the Dominion. Mr. Phillips reports conditions as a whole are substantially improved and estimates that about $1,500,000 more will be spent this season by saw mills, pulp mills and contractors than was spent last year.

The fall lobster fishery is reported to be the best for over a decade. Fruit crops in the district of St. George have been heavy and there has been a pick up in agriculture throughout the Dominion this year.

BANKS' "WINDOW-DRESSING" REVEALED BY STATISTICS

(Continued from page 12)

the viewpoint of economic history may be the least significant in the banks' statements. In judging the position of any given bank, however, the cash items are of great importance. Thus, the extent to which 'window-dressing' destroys the validity of the bank returns depends upon their use.

To the economic historian it is probably but a small matter; to the bankers or person interested in a given bank, it may be a matter of greater importance. But even in this connection the monthly averages of gold, and Dominion notes, given in the return provide something of a check."

Statistics on advances secured by the Canadian banks under The Finance Act as given in the report of the Royal Commission on Banking and Currency together with the amount of advances at the end of each month as shown in the monthly bank statement, are as follows:

ADVANCES TO CANADIAN CHARTERED BANKS UNDER THE FINANCE ACT

	High	Low	Daily Average	Loans Outstanding Last Day of Month
1929:				
Jan.	$76,500,000	$50,000,000	$57,642,300	$76,500,000
Feb.	71,500,000	43,500,000	49,604,200	71,500,000
Mar.	83,500,000	51,000,000	57,740,000	83,500,000
Apr.	84,000,000	51,500,000	57,520,000	84,000,000
May	75,550,000	41,500,000	54,878,800	75,550,000
June	88,700,000	53,550,000	60,747,900	88,700,000
July	88,700,000	50,950,000	50,411,500	75,200,000
Aug.	77,400,000	55,200,000	60,029,600	77,400,000
Sept.	79,400,000	48,400,000	55,941,700	79,400,000
Oct.	90,150,000	54,150,000	61,601,900	90,150,000
Nov.	112,900,000	56,150,000	68,120,000	111,400,000
Dec.	112,900,000	42,700,000	52,316,000	81,700,000
1930:				
Jan.	$82,700,000	$31,700,000	$41,680,800	$49,700,000
Feb.	44,700,000	11,700,000	18,595,800	44,700,000
Mar.	50,200,000	15,450,000	21,488,500	50,200,000
Apr.	49,700,000	17,200,000	22,470,800	49,700,000
May	45,200,000	14,000,000	24,950,000	45,200,000
June	49,700,000	13,700,000	22,158,300	49,700,000
July	49,700,000	10,950,000	24,430,800	31,700,000
Aug.	24,200,000	700,000	8,881,500	24,200,000
Sept.	24,200,000	700,000	2,580,000	20,700,000
Oct.	22,700,000	700,000	9,477,800	22,700,000
Nov.	38,700,000	700,000	3,741,700	33,700,000
Dec.	21,000,000	614,000	2,858,600	20,500,000
1931:				
Jan.	$21,000,000	$1,500,000	$6,153,800	$12,500,000
Feb.	12,500,000	1,000,000	2,187,500	8,500,000
Mar.	8,500,000	....	903,800	6,500,000
Apr.	11,000,000	....	3,083,300	11,000,000
May	19,500,000		3,100,000	10,500,000
June	13,500,000	500,000	1,660,000	13,500,000
July	13,500,000	500,000	2,346,200	7,500,000
Aug.	6,500,000	500,000	1,430,800	6,500,000
Sept.	19,500,000	1,000,000	3,440,000	19,500,000
Oct.	24,500,000	9,500,000	18,269,200	24,500,000
Nov.	66,500,000	17,500,000	22,000,000	66,000,000
Dec.	49,000,000	8,750,000	20,355,800	46,500,000
1932:				
Jan.	$49,000,000	$27,500,000	$31,020,000	$43,000,000
Feb.	36,500,000	15,000,000	22,556,000	35,500,000
Mar.	32,000,000	15,500,000	17,700,000	32,000,000
Apr.	27,500,000	15,000,000	18,465,500	27,500,000
May	29,600,000	10,500,000	13,844,000	29,600,000
June	40,500,000	17,500,000	25,040,000	40,500,000
July	40,500,000	24,500,000	28,748,000	38,500,000
Aug.	29,000,000	13,500,000	18,633,300	29,000,000
Sept.	23,000,000	10,000,000	13,040,000	23,000,000
Oct.	27,500,000	12,000,000	13,764,000	27,500,000
Nov.	65,144,000	27,344,000	36,575,900	65,144,000
Dec.	57,488,000	35,944,000	39,699,500	56,988,000
1933:				
Jan.	$57,488,000	$37,444,000	$40,373,200	$46,744,000
Feb.	41,944,000	35,244,000	35,656,500	41,944,000
Mar.	48,444,000	35,944,000	37,110,700	48,444,000
Apr.	39,344,000	36,944,000	37,500,500	39,344,000
May	42,344,000	37,444,000	39,370,900	42,344,000
June	51,944,000	40,844,000	43,520,000	51,944,000
July	51,644,000	46,244,000	48,552,000	49,644,000

Gunnar Gold Mines
BOUGHT — SOLD — QUOTED
J. H. Hirshhorn & Co.
LIMITED
Investment Bankers
302 Bay St. WA. 3041 Toronto

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING NOVEMBER 20

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
November 21, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	....	1.40
Acadia Sugar 6% pfd.	3.90	4.20
Acme Farmers Dairy 7% pfd.	....	25.00
Agnew Surpass 7% pfd.	63.00	67.00
Allens London 7% pfd. bonus c.	34.50	....
Allens St. Cath. 7% pfd. bonus c.	34.50	....
Allens Toronto 7% pfd. bonus c.	21.50	....
Andian National Corp.	25.00	26.00
Atlantic Sugar A pfd.	83.00	87.00
B.C. Pulp & Paper pfd.	7.75	....
Burns Pfd. bonus com.	8.00	6.75
Canada & Dom. Sugar	35.50	37.50
Canada Mach. c.	3.00	5.00
Canada Mach. pfd.	18.50	....
Canada Packers c.	36.50	38.50
Can. Pack. pfd.	100.00	103.00
Canada Starch 7% pfd.	73.00	....
Canada Starch c.	4.50	....
Canada Tea 7% pfd.	45.50	57.00
Canada Wire & Cable 6½% Pfd. WW	56.00	62.00
Can. Industries com. A	107.00	....
Can. Industries com. B	107.00	112.00
Can. Industries 7% pfd.	123.00	128.00
Can. Westinghouse	44.00	47.00
Chase, A. W. Pfd. bonus c.	14.50	18.00
Claude Neon Gen. Adv. Units	3.75	6.00
Dom. Foundries & Steel 8% pfd.	38.00	43.00
Dom. Foundries & Steel c.	4.00	6.00
Dom. Manufacturers 7% pfd.	....	60.50
Dunlop Tire 7% pfd.	58.00	62.00
Eastern Dairies Ltd. 7% pfd.	....	20.00
Edmonton Stock-yards Units	....	50.00
Federal Grain 6½% pfd.	15.00	22.00
General Steel Wares pfd.	11.25	12.50
Goderich Elevator & Transit	4.75	6.00
Greening Wire 7% pfd.	45.00	52.00
Guelph Carpet c.	5.50	....
Guelph Carpet 6½% pfd.	67.00	....
Inter City Baking com.	16.50	18.50
Inter. Proprietaries "A"	30.25	31.50
Loew's London c.	.30	.75
Loew's Lond. pfd.	3.25	4.25
Loew's Toronto 7% pfd.	58.50	62.00
Mansfield Theatres pfd.	15.75	....
Massey-Harris 5% pfd.	12.00	13.00
Medical Arts Pfd. bonus c.	26.00	....
Mount Royal Hotel com.	.30	.75
Mount Royal Hotel 6% pfd.	2.70	4.00
National Grocers c.	1.60	2.00
National Grocers 7% pfd.	90.00	95.00
Paramount Kitchener pfd.	31.50	....
Paramount Oshawa com.	2.00	....
Paramount Oshawa pfd.	36.00	....
Provincial Paper 7% pfd.	64.50	67.00
Reliance Grain 6½% pfd.	33.00	41.00
Rolland Paper 6% pfd. WW	42.25	48.00
Serv. Stations A pfd.	25.00	31.00
Standard Clay Products c.	....	15.00
Standard Fuel 6½% pfd. bonus	68.50	....
Supersilk pfd. bonus	30.50	....
Supertest Petroleum B pfd.	20.50	....
Toronto Elevators 7% pfd.	86.00	89.00
Toronto Housing c.	10.00	..
United Corpns. Ltd. A	5.25	....
United Corpns. Ltd. B	1.25	....
Un. Grain Growers	9.00	11.00

Ind. Stocks cont'd	Bid	Asked
Western Grain 6½% pfd. bonus	6.00	12.00
Western Grocers pfd.	85.00	89.00
Willards Chocolates pfd.	12.00	17.00
Wood, Alex. & James pfd.	16.25	21.00
Zimmerknit c.	2.50	....
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Can. Life Assce.	431.00	....
Canadian Fire Ins.	55.00	60.00
Confederation Life 20% pd.	121.50	128.00
Continental Life 20% pd.	31.00	36.00
Crown Life Ins.	95.00	....
Dominion Fire Ins.	85.00	....
Dominion Life 50% pd.	155.00	....
Dom. of Can. Gen. Ins.	102.00	110.00
Empire Life 25% pd.	8.50	11.25
Excelsior Life 30% pd.	75.00	....
Federal Fire 25% pd.	37.00	....
Fidelity Ins. Co.	46.50	....
Great West Life Assce.	320.00	350.00
Guar. Co. of N.A. fully paid	220.00	235.00
Guar. Co. of N.A. 20% paid	40.00	....
Imperial Life	270.00	290.00
Mfrs. Life Ins.	215.00	235.00
Monarch Life 10% pd.	19.00	23.00
National Life 25% pd.	52.00	62.00
Saskatchewan Life 10% pd.	7.00	12.00
Sovereign Life 25% pd.	18.00	24.00
Sun Life Assur.	385.00	420.00
Western Assur. c.	14.50	18.00
Western Life 20% pd.	9.00	11.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	130.50	145.00
Can. Gen. Investments Ltd.	4.40	4.85
Can. Investors Corp.	5.00	6.50
Chartered Trust	60.50	....
Debenture & Sec. com.	2.75	....
Debenture & Sec. 5% pfd.	15.00	....
Dom. & Anglo Invest. Units	170.00	....
Dom. Scottish Invest. Units	17.00	24.00
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	135.00	142.00
Investment Foundation Units	26.00	29.00
London & Western Trust	....	45.00
Sec. Holding Corp. pfd.	6.50	....
Sec. Holding Corp. com.	.55	....
Security Loan & Savings	90.00	....
Sherbrooke Trust	100.00	109.00
Sterling Trust	....	45.00
Traders Finance 7% A pfd.	32.00	....
Trusts & Guar.	27.00	31.00
Victoria Trust & Savings	130.50	139.00
Waterloo Trust & Savings	90.50	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas 6% pfd.	99.75	102.00
Calgary Power 6% pfd.	75.50	79.50
Can. Light & Pwr. com.	18.00	22.00
Can. West. Nat. Gas. LH&P pfd.	76.50	81.00
Maritime Tel. & Tel. com.	8.60	9.75
Maritime Tel. & Tel. 7% pfd.	10.75	11.75
N. B. Telephone c.	8.10	9.00
N. S. L&P com.	25.00	33.00
N. S. L&P 6% pf.	74.00	78.00

Recent London Quotations:

Brewers & Distillers	10s. 6d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 9d.
Hudson's Bay	23s. 9d.
Do., 5% pref.	93s. 9d.
Internat. Holdings	$1 15-16
Nfld. Pr. & Pap. deb. stock B	96½
Trust & Loan of Can.	3s. 4d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Banque Can. Nationale	$10	$2.50	Dec. 1	Nov. 15
Belding Corticelli pref.	7%	1¾%	Dec. 15	Nov. 20
Bulolo Gold Dredging	...	*60c	Dec. 4	Nov. 9
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Borden Co., c.	$1.60	40c	Dec. 1	Nov. 15
Bank of Nova Scotia	$12	$3	Jan. 2	Dec. 16
Brit. Amer. Oil (No. 15)	80c	20c	Jan. 2	Dec. 16
Canada Trust	10%	5%	Jan. 2	Dec. 15
Canada Vinegars	$1.60	40c	Dec. 1	Nov. 15
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Canadian Oil, pref.	$8	$2	Jan. 1/34	Dec. 20
Can. Hydro. 1st pref.	6%	1½%	Dec. 1	Nov. 1
Cons Diver. Std. Secs pfd.	...	25c	Dec. 15	Nov. 15
Canada Malting (No. 24)	$1.50	37½c	Dec. 15	Nov. 30
Dominion Bank	$10	$2.50	Jan. 2	Dec. 20
Dominion Textile	$4	$1	Jan. 2	Dec. 15
Do., pref.	$7	$1.75	Jan. 15	Dec. 30
Eastern Twps Tele. c.	72c	18c	Jan. 15/34	Dec. 31
Eastern Theatres c.	$2	50c	Dec. 1	Oct. 31
Hollinger Gold	65c	5c	Dec. 2	Nov. 17
Huron & Erie Mortgage	6%	1½%	Jan. 2	Dec. 15
Grouped Inc. Shs. A (No. 5)	..	7c	Nov. 30	Nov. 16
Inter. Petroleum (No. 39)	$1.12	28c	Dec. 15	Nov. 30
Inter. Proprietaries A	$2.60	65c	Dec. 15	Nov. 25
Imperial Tobacco, c	35c	8¾c	Dec. 30	Nov. 29
Imperial Oil (No. 39)	50c	12½c	Dec. 1	Nov. 15
International Milling 1st pfd.	$7	$1.75	Dec. 1	Nov. 18
Do., "A" pref.	$6	$1.50	Dec. 1	Nov. 18
Laura Secord	$3	75c	Dec. 1	Nov. 15
Loblaw Grocet. "A" & "B"	80c	20c	Dec. 1	Nov. 11
Lake Shore Mines	$2	50c	Dec. 15	Dec. 1
Do., extra	..	50c	Dec. 15	Dec. 1
Montreal Cottons, pfd.	$7	$1.75	Dec. 15	Nov. 30
McIntyre Porc. M.	$1	25c	Dec. 1	Nov. 1
Do., extra	...	12½+12½c	Dec. 1	Nov. 1
Mercury Oils	...	4c	Jan. 2	Nov. 30
McColl Fron. c.	60c	15c	Dec. 15	Nov. 15
Montreal Loan & Mtge.	12%	3%	Dec. 15	Nov. 30
National Biscuit pfd.	$7	$1.75	Nov. 29	Nov. 15
N. S. Light & Pr. pref.	6%	1½%	Dec. 1	Nov. 15
Ogilvie Flour Mills pfd.	$7	$1.75	Dec. 1	Nov. 21
Pioneer Gold (B.C.)	60c	15c	Jan. 2	Dec. 8
Provincial Bank	$6	$1.50	Dec. 1	Nov. 15
Royalite Oil	..	50c	Dec. 20	Dec.
Rolland Paper pref.	$6	$1.50	Dec. 1	Nov. 15
Royal Bank	8%	2%	Dec. 1	Oct 31
Reliance Grain, pref.	6½%	1⅝%	Dec. 15	Nov. 30
Siscoe Gold Mines	12c	3c	Dec. 30	Dec. 15
Do., bonus	..	2c	Dec. 30	Dec. 15
Toronto Elevators, c.	...	*$1	Dec. 1	Nov. 15
Do., pref.	7%	1¾%	Jan. 15	Jan. 2
H. Walker-G. & W., pfd.	$1	25c	Dec. 15	Nov. 25

* Interim.

Listed Bond Quotations

Week Ending November 20, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtge.§	5	1953	...	19	...	...	18	13
Asbestos	5	1942	...	45	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	†75	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84⅝	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	5	3
Do., (Way. Ser.)	5½	1958	...	4	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	4	...	...	*83¼	...
Cedars Rapids	5	1953	...	66	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
Easy Wash	6	1948	...	2.75	...	...	3.00	1.00
Mex. L. & Pr.	5	1940	...	†59	...	...	*73½	70½
Mont. L.H.&Pr. debs.	3	1939	...	44⅝	45½	44½	47½	39⅝
Mont. Tr. 1st mtg.§	5	1941	5.53	†95½	...	...	98½	95½
Mont. Trams. A§	5	1955	7.56	71⅜	73	71½	81½	58
Do., G. & Ref. B	5	1955	7.44	...	...	...	74½	73⅝
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	7.41	...	...	...	77⅝	76½
N. S. Steel	5	1959	...	...	...	...	*62⅝	58
Ontario Steel	6	1943	7.43	87½	...	...	90	80
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103⅜	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	75	...	...	79	75
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*101⅛	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	103.00	....	....	116.25	107.00
Do.	5½	1934	4.09	100.50	....	....	102.60	101.15
Do.	5½	1937	3.60	105.75	....	....	110.25	109.25
Do., refund	4½	1940	4.24	99.50	....	....	101.25	99.70
Do., refund	5	1943	4.68	101.25	....	....	104.90	101.85
Do., refund	4½	1944	4.50	98.00	....	....	100.50	98.75
Do., refund	4½	1946	4.50	98.00	....	....	*92.25	91.50
Do., renewal	4	1952	4.50	92.25	....	....	95.25	91.63
Do., refund	4	1945	4.75	93.50	....	....	96.50	96.50
Conversion Loan	4½	1956	4.45	96.75	....	....	100.70	97.00
Do.	4½	1957	4.50	96.75	....	....	99.00	96.00
Do.	4½	1958	4.50	96.75	....	....	100.75	97.75
Do.	4½	1959	4.64	97.75	....	....	108.87	97.50
Nat. Service Loan	5	1936	4.01	101.50	....	....	103.25	101.50
Do.	5	1941	4.62	101.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.72	99.50	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	....	....	....	....
Cons. Pap. Inv. deb.	7	1949	...	88.00	....	....	100.00	80.00

[illegible] ask. ‡Quotations for 1930. *For 1931. *For 1932.
None recorded in 1933 to date. §Payable in Canada and New York.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
November 21, 1933

Industrial Bonds:	Bid November 21	Asked November 21	Bid Nov. 14
Abitibi P. & P. 5% 1953	20.00	22.00	22.00
Acadia Sugar 6% 1946	92.00	93.50	91.50
Albert Bay 6½% 1942	40.00	....	40.00
Alta. Pacific Grain 6% 1946	69.00	71.00	69.00
American Sales Book 6% 1939	97.00	....	99.00
B. A. Oil 5% 1945	99.00	101.00	99.00
B. C. Pulp 7% 1950	13.00	....	11.50
Burns 5½% 1948	29.00	31.00	29.00
Can. Biscuit 6½% 1946	17.00	21.00	17.00
Can. Bread 6% 1941	94.00	96.00	95.00
Can. Cement 5½% 1947	76.00	77.00	75.00
Can. Steamships 6% 1941	17.00	19.00	17.00
Can. Canners 6% 1950	96.00	99.00	97.50
Can. Copper Refin. 6% 1945	104.50	106.00	104.50
Can. Cottons 5% 1940	93.00	95.00	92.00
Can. Vickers 6% 1947	44.50	46.00	44.50
Cons. Invest. 4½% 1959	53.00	55.00	53.00
Cosmos Imp. Mills 6½% 1944	85.00	90.00	85.00
Davies, Wm. 6% 1942	98.00	99.00	98.00
Debenture & Sec. 4% 1936	59.00	....	59.00
Dom. Tar & Chemical 6% 1949	62.00	66.00	63.00
Dom. Telegraph 5½% 1978 A	94.00	97.00	94.00
Dom. Textile 6% 1949	105.00	107.00	105.00
Dom. Woollens 6% 1948	18.00	21.00	14.00
Donnacona Paper 5½% 1948	24.00	27.00	27.00
Eaton Realty 5% 1949	89.00	90.00	89.50
Famous Players 6% 1948	73.00	75.50	74.50
Federal Grain 6% 1949	66.00	70.00	67.00
Firestone Tire 7% 1937	105.00	106.00	105.00
Fraser Cos. 6% 1942	40.00	42.00	39.00
Fraser Cos. 6% 1950	31.00	33.00	31.00
Galt Brass 7½% 1941	20.00	....	20.00
General Steel Wares 6% 1952	54.00	57.00	56.00
Goodyear Cotton 6% 1949	102.00	104.00	102.00
Great Lakes 6% 1950	20.00	22.00	22.00
Gypsum, Lime & Alab. 5½% 1948	44.50	46.00	44.50
Hamilton By-Prod. 7% 1943	86.00	88.00	86.00
Harris Abattoir 6% 1947	100.00	103.00	100.00
Howard Smith 5½% 1953	70.00	72.00	72.00
Lake St. John 6½% 1947	35.00	36.00	34.00
Loew's Toronto 6% Serial	98.00	....	98.00
Maple Leaf Milling 5½% 1949	33.00	36.00	38.00
Massey-Harris 5% 1947	59.00	61.00	57.00
McColl-Frontenac 6% 1949	94.00	96.00	96.25
McKinnon Industries 6½% 1945	95.00	....	95.00
Mercury Mills 5½% 1953	54.00	57.00	54.00
Metropolitan Bldg. 7% 1944	80.00	....	80.00
Minn. & Ont. 6% Serial	5.00	9.00	7.00
Nor. Ontario Bldg. 6½% 1939	65.00	70.00	65.00
Price Bros. 6% 1943	54.00	59.00	57.00
Richmond Bay 6½% 1947	67.00	72.00	67.00
Simpsons Ltd. 5½% 1949	72.00	75.00	74.00
Simpsons Ltd. 6% 1949	75.50	77.00	78.00
Steel of Canada 6% 1940	104.00	105.50	104.00
Stop & Shop 6% 1947	71.00	73.00	70.00
Toronto Carpet 6% 1944	88.00	....	88.00
United Gas & Fuel 5½% 1948	63.00	70.00	65.00
United Grain Growers 5% 1948	71.00	75.00	72.00
United Grain Growers 5½% 1949	77.00	78.00	75.00
Wabasso Cotton 7% 1942	70.00	....	70.00
Western Grain 6% 1949	....	58.00	63.00
Public Utility Bonds:			
Bell Telephone 5% 1955	100.50	101.50	104.00
Bell Telephone 5% 1957	100.50	101.50	104.00
B. C. Power 5½% 1960	93.50	95.00	96.00
B. C. Telephone 5% 1960	94.50	96.00	96.50
Calgary Power 5% 1960	82.50	84.00	85.75
Can. Northern Pwr. 5% 1953	78.00	81.00	81.00
Duke-Price Pwr. 6% 1966	68.00	69.25	74.50
French Nat'l Mail S.S. 6% 1952	130.00	....	130.00
Gatineau Pwr. 6% 1941 A	65.00	66.50	67.50
Gatineau Pwr. 5% 1956	75.00	76.50	80.00
Maclaren-Quebec 5½% 1961	80.00	81.00	83.00
Manitoba Power 5½% 1951	30.00	35.00	37.00
Montreal Isl. Pwr. 5½% 1957	95.00	98.00	97.00
Montreal LH&P 5% 1951	101.00	104.00	106.50
Montreal LH&P 5% 1970	105.00	107.25	106.00
Montreal Tram. 5% 1941 July	94.00	95.50	96.00
Montreal Tram. 5% 1955	69.00	71.00	74.50
Northwest Utilities 7% 1938	96.00	99.00	96.00
Ottawa Valley Pwr. 5½% 1970	99.50	101.00	100.00
Quebec Power 5% 1968	88.00	91.00	92.00
Rio Tramways 5% 1935	99.00	101.00	99.00
Shawinigan W. & P. 4½% 1970	74.25	75.25	77.50
Shawinigan W. & P. 5% 1970	82.00	83.25	84.50
Shawinigan W. & P. 6% 1967	94.25	95.25	96.00
Southern Can. Pwr. 5% 1955	96.50	98.50	98.00
West Kootenay Pwr. 5% 1956	97.00	98.00	98.00
Government, Provincial & Railway:			
C. N. R. 4½% 1951 Dom. Gtd.	99.50	101.00	103.00
C. N. R. 4½% 1957 Dom. Gtd.	96.50	97.50	100.00
C. N. R. 5% 1969 Dom. Gtd.	101.50	102.50	107.00
C. P. R. 4½% 1944	69.00	71.00	75.00
C. P. R. 6% 1942	101.50	102.50	103.00
Dom. of Can. 5% 1936	101.50	102.50	102.50
Dom. of Can. 5% 1941	101.00	102.00	103.00
G. T. P. 3% 1962 Dom. Gtd.	83.00	85.00	86.00
G. T. P. 4% 1962 Dom. Gtd.	96.25	97.25	97.50
Ont. Hydro 3¼% 1952 Ont. Gtd.	....	92.00	92.00
Ont. Hydro 4¾% 1970 Ont. Gtd.	....	99.00	100.00
Ont. Hydro 4% 1957 Ont. Gtd.	....	94.00	93.00
Prov. of N. B. 5½% 1950	....	104.00	104.00
Prov. of Ont. 5½% 1946	104.00	107.00	108.00
Prov. of Ont. 5% 1948	100.00	103.00	103.75
Prov. of Ont. 5½% 1944	100.00	101.50	102.25

Unlisted Mining Stocks

November 21, 1933

	Bid	Ask
Abana	.04	.08
Adanac G. Un.	75.00	100.00
Alschbach Gold	.03	.04
Athadome	..	.09
Arntfield Gold	.75	.90
Arntfield Synd.	.70	.80
Astoria Rouyn	.02	.04
Bathurst	.01½	.03
Beattie	1.35	1.39
Bidgood	.01¼	.02¼
Buff. Ankerite	1.15	1.25
Bussieres Min.	.32	.42
Can. Pandora	..	.28
Can. Radium	.06	.09
Canusa Gold	.01	.03
Cent. Kirk. Un.	9.00	11.00
Cochenour-Wil. Units	15.00	22.00
Continental Gas	.09	.11
Continental Gold Units	135.00	145.00
Continental Kirk.	.04	.06
Crown Reserve	.01	.02½
Delta Units	35.00	55.00
Dorval Siscoe Units	..	20.00
Dunkin	.01	.02
Dunlop Cons.	.01½	.02
Eagle Oil	1.20	1.30
East Rouyn	..	.18
Echo Bay Explor.	.25	.35
Edgecreek Un.	12.00	17.00
Elbow Lake-Shore Un.	..	50.00
Fairmac Un.	..	10.00
Flintoba	.00¾	.01¾
Galatea Units	15.00	30.00
Garry Gold	.15	.20
Glenora Gold	.20	.35
God's Lake	.70	.73
Goldside Units	24.00	30.00
Gr. Bear Lake	.38	.42
Great. Can. Gold	.14	.16
Greene Stabell	.47	.52
Gregg Oil Un.	1900.00	..
Gunnar Gold	.52	.56
Herbin Lake Un.	15.00	25.00
Holytrex	.01	.01¾
Horseshoe	.12	.15
Island Lake	.07	.09
Kenty Gold	1.20	1.28
Kirk. Gold	.14	.20

	Bid	Ask
Lake Geneva	.12	.18
Lake Malartic	..	.50
Lake Sawpawe	.20	.25
Little Long Lac.	.90	.92
McCarthy Webb.	.09½	.11
McChesney Moss Un.	18.00	25.00
MacKenzie Red Lake	.45	.49
McL. Cockshutt	.20	.23
Man. & Eastern	.04	.06
Maple Leaf M.	.28½	.29½
Matachewan Can.	.07½	.09½
Mecca Gold	.20	.23
Metals Develop.	.04	.06
Metropolitan	.25	.33
Minaker Kirk.	.32	..
Mindoka	.01	.03
Minefinders	1.00	..
Minrand Gold	..	.32
Montreal-Alb. Petroleum	.38	..
N.A.M.E. Units	5.00	8.00
Normetal Min.	.45	.70
Northl'd Pros.	500.00	600.00
N'W Que. Pros.	15.00	25.00
O'Connell Gold	.27	.31
Opemiska Copper	.08	..
Oro Grande Dev.	.40	.60
Peninsular Pet.	.00½	.01
Pontiac Rouyn	.40	.45
Quebec Pros.	2.50	..
Queen Lebel	.01	.03
Rubec Mines	.01	.02¼
Silveradium Un.	65.00	80.00
Silver Valley	.15	.20
Smelter Gold	.23	.24
Sourdough Un.	5.00	10.00
South Tiblemont Units	35.00	45.00
Sun Bear	.20	.27
Sunorea Explor.	1.00	1.15
Swayze Contact	.17	.19
Tiblemont Island	.10½	.11½
Tom Montgomery Un.	..	150.00
Trusted Inv. Syn. Units	16.50	18.50
Tyrrell Tp. McN.	..	40.00
West McWatters Units	..	15.00
Young Davidson	.19	.23

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
November 21, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	88.00	5.37
Alberta	5	1 July, 1943	1 Jan.	94.00	5.80
Alberta	6	1 Mar., 1947	1 Mar.	102.00	5.78
*British Columbia	4½	1 Oct., 1953	1 Apr.	88.00	5.50
*British Columbia	5	15 Jan., 1948	15 Jan.	94.00	5.60
British Columbia	6	15 Feb., 1947	15 Feb.	102.00	5.78
Manitoba	4	1 July, 1947	1 Jan.	82.50	5.85
*Manitoba	5	2 Dec., 1959	2 Dec.	93.00	5.51
Manitoba	6	1 Apr., 1947	1 Apr.	100.50	5.95
*New Brunswick	4	1 June, 1948	1 Dec.	91.00	4.85
*New Brunswick	4¾	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	15 May, 1956	15 May	104.00	5.15
*Nova Scotia	4½	15 Nov., 1948	15 May	99.50	4.55
Nova Scotia	5	1 May, 1943	1 May	100.50	4.94
*Ontario	4¼	1 Sept., 1944	1 Mar.	100.00	4.50
Ontario	5	15 Oct., 1948	15 Apr.	102.00	4.81
Ontario	5½	1 Feb., 1947	1 Feb.	106.00	4.89
P. E. I.	4	1 Apr., 1939	1 Apr.	96.00	4.85
P. E. I.	6	1 May, 1947	1 May	110.00	4.97
*Quebec	4¼	1 May, 1961	1 May	100.00	4.25
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	85.50	5.66
*Saskatchewan	5	1 Nov., 1959	1 May	90.00	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	100.00	6.00
*Newfoundland	5	31 Dec., 1952	31 Dec.	86.00	6.27
*Newfoundland	5½	1 July, 1939	1 Jan.	90.00	7.75
*Newfoundland	6½	30 June, 1936	31 Dec.	98.00	7.40
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	103.00	4.81
*Toronto	4½	1 Jan., 1955	1 Jan.	98.50	4.61
*Vancouver	5	15 Jan., 1970	15 Jan.	91.50	5.55
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.84
*Edmonton	5½	1 Apr., 1947	1 Apr.	91.50	6.45
Calgary	5	1 Jan., 1943	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	112.00	4.97
Saint John	5	15 Dec., 1950	15 Dec.	101.50	4.87
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	93.00	5.82
Quebec	5	1 June, 1948	1 Dec.	100.00	5.00

*Payable in New York.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt they serve a useful purpose in giving an idea of approximate price is better than none at all.

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DIVIDEND NOTICES

International Petroleum Company, Limited

Notice of Dividend No. 39

NOTICE is hereby given that a dividend of 28c. Canadian Currency per share has been declared, and that the same will be payable on or after the 15th day of Dec., 1933, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 39 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 30th day of Nov., 1933, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 14th day of Dec., 1933.

The transfer books will be closed from the 1st day of Dec. to the 15th day of Dec., 1933, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada, the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the 5% tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By order of the Board,
J. R. CLARKE, Secretary.
56 Church Street, Toronto 2, Canada.
20th November, 1933.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th December, 1933, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 2nd day of January, 1934, to shareholders of record of the 20th December, 1933.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 16th November, 1933.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND No. 55 — BONUS No. 17

NOTICE is hereby given that a quarterly dividend of fifty per cent, together with a bonus of fifty per cent, on the issued capital stock of the Company, will be paid on the fifteenth day of December, 1933, to shareholders of record at the close of business on the first day of December, 1933.

By order of the Board.
KIRKLAND SECURITIES, LIMITED.
SECRETARY.
Dated at Kirkland Lake, Ontario.
November 15th, 1933.

The Montreal Cottons Limited

Notice is hereby given that a Quarterly Dividend of One and Three Quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum, has been declared upon the Preferred Stock of the Company, and cheques will be mailed on the fifteenth day of December next, to shareholders of record at the close of business on the thirtieth day of November, 1933.

By Order of the Board.
HUGH A. WILSON,
Secretary-Treasurer.

Barcelona Traction, Light & Power Company, Ltd.

(Incorporated under the Laws of the Dominion of Canada)

5½% FIRST MORTGAGE BONDS

NOTICE IS HEREBY GIVEN that the half-yearly interest on the 5½% First Mortgage Bonds of the Company, payable in Pesetas, and due 1st December, 1933, will be paid on and after such date at the Office of Messrs. Arnus-Gari, 9 Paseo de Gracia, Barcelona, Spain, against production of Coupon No. 44.

Bondholders have the option of collecting the above peseta interest at the Canadian Bank of Commerce, Toronto, in Canadian currency at the current rate of exchange between Madrid and Toronto for the day upon which such coupons are presented for payment.

DATED this 21st day of November, 1933.

For
BARCELONA TRACTION, LIGHT AND POWER COMPANY, LIMITED
R. H. MERRY, Secretary.

DIVIDEND NOTICES

International Proprietaries Limited

NOTICE

Notice is hereby given that a quarterly dividend of sixty-five cents (65c.) per share has been declared on the issued and outstanding Class "A" shares of this Company, payable on the fifteenth day of December, 1933, to shareholders of record at the close of business on the twenty-fifth day of November, 1933.

By order of the Board.
J. H. SPENCE,
Secretary.
Toronto, November 18th, 1933.

The Canadian Bank of Commerce

Dividend No. 187

Notice is hereby given that a dividend of Two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1933, and that the same will be payable at the Bank and its Branches on and after Friday, 1st December next, to shareholders of record at the close of business on the 31st October, 1933. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 20th October, 1933.

NOTICE

NOTICE

To Canadian Policyholders of the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A.

On June 1, 1933, the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A., reinsured, with the Indemnity Insurance Company of North America, Philadelphia, Pennsylvania, U. S. A., all of its unexpired policies, outstanding obligations and liabilities. On Feb. 3rd, 1934, application will be made to the Minister of Finance for the release of its securities deposited and now held by the Receiver General and any Canadian Policyholders opposing such release should file their opposition with the Minister of Finance on or before that date.

ALLIANCE CASUALTY COMPANY,
FRANK A. EGER,
Secretary.

Mercury Oils, Limited

NOTICE
To Shareholders

Notice is hereby given that a dividend of four cents per share has been declared upon the Common shares of the Company, issued and outstanding, payable on January 2nd, A. D. 1934, to shareholders of record at the close of business on Thursday, November 30th, A. D. 1933.

The transfer books of the Company will be closed at 5 p.m. on Thursday, November 30th, A. D. 1933, and will be reopened on Saturday, December 30th, A. D. 1933.

By Order of the Board of Directors,
CHAS. BIGGS,
Secretary.
Transfer Office,
300 Lancaster Building,
Calgary.

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Township of York has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an Order of The Ontario Municipal Board bearing date the 10th day of November, 1933, and from and after the first publication of this Notice in the Ontario Gazette, all actions or proceedings against the said Municipality are stayed and thereafter no action or other proceeding against the said Municipality shall be commenced or continued nor shall a levy be made under a writ of execution against it without leave of The Ontario Municipal Board.

Dated this 10th day of November, A.D., 1933.

H. C. SMALL,
Secretary,
The Ontario Municipal Board.

ELECTRIC POWER LINES EXTENSION BOOSTS MINING

Hydro Signs Up Hollinger's Matachewan Property For Power

POWER FOR QUEBEC

Electric Power is Stimulating Greater Mining Activity in Many Areas

From Our Own Correspondent

KIRKLAND LAKE — The extension of electric power lines is commanding the attention of the northern mining areas and with these extensions come announcements of new mining operations to an extent that make Northern Ontario and Quebec the fastest growing gold-producing areas on the continent, if not in the world.

The announcement two weeks ago that the Hydro-Electric Power Commission of Ontario had contracted to supply Canada Northern Power Corp. with an initial block of 10,000 h.p. was speedily followed by survey parties and construction camps to extend the transmission line, which calls for the delivery of this block by February 1 next.

Camps Being Constructed

Already the Hydro has established construction camps at Matheson and Bourke on the T. & N. O. Railway preparatory to extending the existing 110,000 volt transmission line from the Abitibi Canyon project to Iroquois Falls. The route of the new transmission line from Iroquois Falls will be Matheson, then in as direct line as possible to Kirkland Lake, feeding the existing transformer station of the Canada Northern Power Co. on the property of the Sylvanite Gold Mines.

Negotiations have been under way for supplying the Lakeland Gold Mines with power at Bourke, but details have not been settled.

Another power announcement last week was the concluding of the agreement between the Hydro-Electric Power Commission and Hollinger's subsidiary, the Young Davidson Mines, Powell township, Matachewan area. To serve this area the transmission line will be built from Kirkland Lake, some 30 miles west and 12 miles south, to the site of operations in Powell township. It has not yet been decided whether this line will be an extension of the 110,000 volt line or a less expensive lower voltage line. Initially, Hollinger's contract calls for 700 h.p. by May 1, 1934, with a possible increase as developments at the property dictate.

Other Prospects Interested

Negotiations are also under way for serving other potential producers in the area, most important of which is the adjacent Matachewan Consolidated Mines under option to Ventures. Also active in the area is the O'Connell Gold Mines and the Bloom Lake Consolidated Gold Mines, which, while not ready for production, could use electric power to advantage in development.

Hydro also has plans for tapping the main Abitibi-Sudbury line, about ten miles east of West Tree station on the Canadian National railway. At this point in Garibaldi township, the line cuts the old wagon road and by constructing a transformer and switching station here the transmission line could be built westward following the sedimentary belt or favorable zone to the Swayze area. The Kenty Gold Mines, the principal potential customer in this area, expects to reach its decision regarding power requirements before February 1 next. In the meantime, it is continuing development through the use of the Diesel engine. With the decision to use Hydro power will come an announcement respecting its mill construction programme.

It was originally planned to extend a line from the proposed West Tree sub-station to the Matachewan area to serve Hollinger's property, but with the sale of a block of power to the Canada Northern Power Corp. for delivery to the Kirkland Lake sub-station, it became more economical to build a line from Kirkland Lake into Powell township, than to extend a line northward from West Tree.

Power For Eastern Quebec

Another important power announcement last week was that of the Northern Quebec Power Co., subsidiary of Canada Northern Power, preparing to extend its transmission line from Noranda eastward along the mineralized belt of Quebec into Cadillac township to serve the O'Brien-Cadillac mine, the leading producer in the area. This 100-ton mill is presently being operated by steam power as are the Canadian Pandora and Thompson-Cadillac properties, two interesting prospects under development.

The extension of the transmission lines into the Cadillac area is seen as the first step toward serving the whole eastern mineralized belt of Quebec with electric power. It is known that the negotiations are under way to supply the Siscoe Gold Mines with power, some 20 miles east of the Cadillac area. Other properties in this area include the Greene-Stabell, which has just started production with power initially supplied by a Diesel engine. Southeast of Siscoe is the Lamaque Gold Mines, which is fast developing into a potential producer.

Another new transmission line extension of importance to Ontario mining is in the Michipicoten area where the Great Lakes Power Co. is building a 2½ mile line from the Jubilee property owned by the Minto Gold Mines to the claims recently acquired by the Siscoe Gold Mines on the south side of Wawa Lake.

DIVIDEND NOTICES

Imperial Tobacco Company of Canada Limited

—DIVIDEND—

NOTICE IS HEREBY GIVEN that an Interim Dividend (No. 105) of one and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Saturday, the 30th day of December, 1933, to shareholders of record at the close of business on Wednesday, the 29th day of November, 1933.

By Order of the Board.
F. P. L. LANE,
Secretary.
Montreal, Que.,
November 17th, 1933.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 24.

NOTICE is hereby given that a dividend for the quarter ending November 30th, 1933, at the rate of 6½% per annum, will be paid on December 15th, 1933, to preference shareholders of record at the close of business on November 30th, 1933.

By order of the Board.
A. W. GIBB,
Secretary.
Winnipeg, November 15th, 1933.

Siscoe to Pay Two Cent Bonus

Directors of Siscoe Gold Mines announce the declaration of a bonus of two cents per share in addition to their regular quarterly dividend of three cents per share, both payable December 30 to shareholders of record December 15. This disbursement of five cents per share will bring the total distribution for 1933 to 14 cents per share as compared with 11 cents in 1932.

Macassa Reduces Capital Acquires Adjoining Claims

Kirkland Lake's Newest Producer Strikes Stride and Starts New Development Programme in Search of Ore in Western Part of Property

In an interim report to shareholders of Macassa Mines, dated October 31, 1933, Robert A. Bryce, president of the company, stated that the reorganization of the capital structure in order to acquire the adjoining United Kirkland Gold Mines property, will result in Macassa shareholders receiving one new share for each two shares presently held and reduce the capitalization outstanding to 2,620,000 shares.

A meeting is called for December 4 in Toronto to confirm a bylaw passed by directors which will result in the present $5,000,000 capitalization being changed to $3,000,000.

The acquisition of the United Kirkland Gold Mines property and assets comprising some five claims immediately adjoining the Macassa Mines on the south, was deemed advisable to protect the southerly extension of Macassa vein system. In addition United Kirkland has some $55,000 in its treasury which will accrue to Macassa's treasury. To date some 75 per cent of the 1,300,000 shares of United Kirkland outstanding have been acquired by certain Macassa shareholders on the basis of five United Kirkland shares for each one share of Macassa presently outstanding. These shareholders, upon approval at the general meeting will turn over to the company their holdings of United Kirkland on the same basis and without profit or benefit to themselves. In addition, it is proposed to offer to the remaining shareholders of United Kirkland Gold Mines a similar basis of exchange.

Five Per Cent United Cost

Inasmuch as practically all of the shares remaining in the treasury of Macassa Mines have been issued, it became necessary to reorganize the capital structure in order to permit the new acquisition, which will require the issue of 130,000 shares of the new Macassa capitalization or about five per cent of the total. With the completion of the proposed exchange, Macassa will still have 370,000 new Macassa shares in its treasury for future use as required.

In reporting on development at the property E. A. Howes, superintendent, states, that the new 200-ton mill started at an initial rate of 100 tons daily on October 13. On November 1, the first gold brick normally valued at some $12,000 was poured. During initial operations the grade of ore milled averaged about $12.50 per ton, which is about the grade that can be expected from the ore developed in the mine to date. By December 31, 1933, it is planned to bring the mill up to full capacity.

Ore developments to date have been confined to the tongue of syenite and the immediately contacting rocks above the 2,475 ft. horizon, where a main drift and haulage way from the adjoining Kirkland Lake Gold Mines property to the east, was driven to connect with Macassa's central shaft, some 2,500 ft. west of the Kirkland Lake Gold Mining boundary. To date another main haulage level has been established at 2,000 ft. and sub levels established at 2,075 and 2,325 ft. A haulage way is planned at the 1,500 ft. level. Four raises have been put up in ore, which has delimited a total of 500 ft. of ore in three ore shoots above the 2,475 ft. level. This ore is reported to average 4.6 ft. in width and $11 grade. Above the 2,325 ft. level a total of 536 ft. of ore, averaging 5.3 ft. in width and $13.15 in grade, has been encountered. Above the 2,175 ft. level a total of 442 ft. of ore, averaging 4.9 ft. in width and $13.20 per ton, is reported. On the 2,000 ft. level 210 ft. of ore is shown as averaging 4.5 ft. in width and $10.50 in grade.

Assuming that the ore encountered on these respective levels extends through to the level above, a total of some 102,300 tons of ore has been delimited in the development to date. Based on gold at the normal value of $20.67 per oz. this ore has a value of $1,271,000 and is sufficient to operate the mill at its full capacity of 200 tons daily for about one and one half years.

Protected at Depth

While no lateral work has been done in the potential ore zone above the 2,000 ft. level it is known that this syenite tongue continues to within some 650 ft. of the surface on the Macassa property and outcroppings on the adjoining Kirkland Lake Gold Mining. It is to protect the downward extension of this syenite tongue below the 2,475 ft. level that prompted the acquisition of the adjoining United Kirkland property.

While the known ore is confined to and adjacent to this syenite tongue, the company has a length of some 4,500 ft. along the main break of the Kirkland Lake camp to explore. Earlier this year a drift in the main break was driven westward from the 750 ft. horizon to explore porphyry intrusions lying west of the central shaft. This drift was extended some 700 ft. westward, but has now been suspended and plans call for a similar drift to be started from the bottom or 2,475 ft. level before the end of the year. It is hoped in this development work that prophyry intrusions will be encountered. In the main producing section of the Kirkland Lake camp these have been the principal source of profitable ore.

Stoping to date, which has provided and will provide the mill with ore, came from above the 2,475 and 2,325 ft. levels on the west contact of the syenite tongue. A stope is now being opened up in the middle ore shoot of the three encountered on the 2,450 ft. level. Also a raise is being completed from the 2,000 to the 1,775 ft. horizon.

New Equipment Added

In the mill new flotation equipment is being turned up to treat the trailings. These trailings are estimated to average about 80 cents per ton, and it is anticipated that with flotation a high percentage of recovery will be possible. In order to facilitate and duplicate its compresser air requirements the company has just installed a new model angle compressor, developed by Ingersoll-Rand.

In a recent visit The Financial Post representative found the Macassa's new mill working smoothly at a high degree of efficiency with the time-tried metallurgical practice in vogue in the camp, which was incorporated in the design. With the mill being stepped up to its designed capacity before the end of the year, future efforts are to be directed in a systematic search for ore beyond the present delimited ore zone which gives evidence of sufficient ore while the larger development programme is in progress to explore the extensive holdings of the company along the main break of the camp.

Mining Stock Quotations

Week Ending November 20.

Par Val.	Range 1933 High	Low	Company	Sales	Close Nov. 13 (or last)	High for week	Low for week	Close Nov. 20
1	.02½	.00¼	Aconda	8,500	.01½	.01½	.01½	.01½
No	.30	.03	Aldermac	1,700	.20	.18	.18	.18
1	.03½	.01	Alexandria	40,500	.02½	.02½	.02	.02
No	.06	.01¼	Algoma	22,000	.01½	.02	.01½	.01½
1	.10½	.00¾	Algonquin	6,500	.00¾	.00¾	.00¾	.00¾
1	.06	.00¾	Amity Copper	23,500	.02½	.03	.02½	.02½
1	.01	.00¾	Apex	......	.00¾	.....	.....	.....
1	.07½	.01¼	Area	6,800	.04	.04	.03	.03
No	.11	.03	Arno (new)	9,400	.04½	.05½	.04	.05
1	1.36	.74	Ashley	1,220	1.07	1.10	1.00	1.10
1	.14	.02½	Bagamac	10,700	.04	.04½	.04	.04
1	.03	.00¾	Baldwin	9,000	.01½	.01½	.01	.01
1	.20	.08	Barry Hollinger	90,950	.13½	.14	.11½	.13
1	2.45	.75	Base Metals	17,380	1.70	1.80	1.65	1.70
1	1.29	.60	B. E. A. R.	27,000	.87	.90	.81	.81
1	.48	.29	Big Missouri (new)	28,628	.47	.48	.43	.43
1	.28½	.08½	Bobjo	22,200	.18	.18	.15½	.17
No	13.25	2.28	Bralorne	2,045	9.65	9.90	9.55	9.55
1	.25	.14	Brett Trethewey	4,400	.16	.16½	.15	.15
50c	.42	.32	B. R. Ex. Gold	5,600	.35	.36	.32	.32
1	.07½	.01¼	Brownlee	85,200	.02	.02½	.02	.02
1	.03	.00¾	Buckingham	2,000	.00¾	.00¾	.00¾	.00¾
No	.09½	.01¼	Buffalo Can	12,000	.07½	.07½	.06½	.07
5	24.60	15.40	Bulolo	5,070	22.50	24.60	22.90	23.25
No	.10	.01	Bunker Hill	45,100	.01½	.01½	.01½	.01½
5s	1.25	.60	B'Wana McKubwa	......	.75	.....	.....	.....
No	.05	.02½	Canam Metals	......	.03	.....	.....	.....
1	.12½	.03	Can. Kirkland	28,004	.07½	.08½	.07	.08½
No	.60	.32	Can. Malartic	11,250	.49	.48	.44	.45
1	.02	.00½	Capital Rouyn	4,500	.00¾	.00¾	.00½	.00½
1	.08½	.01	Cartier Malartic	8,000	.01½	.01½	.01½	.01½
1	.72	.15	Castle Trethewey	47,412	.64	.65	.58	.60
1	.20	.06	Cen. Manitoba	20,900	.15	.14½	.13	.13½
1	.73	.17	Cen. Patricia	15,950	.57	.59	.52	.55
No	.20	.03	Chibougamau Pros.	57,600	.06	.06	.04½	.05
No	.15	.03	Church. M. & Mill.	23,700	.12	.12½	.11	.12
No	.04	.00½	Clericy	31,500	.02½	.02½	.02	.02½
1	.03	.01	Clifton Cons.	2,000	.01	.01	.01	.01
5	9.00	1.65	Coast Copper	970	4.50	4.75	4.05	4.65
1	.15	.00½	Cobalt Contact	42,400	.06	.06½	.05	.05½
No	.48	.43	Columario (new)	7,300	.45	.44	.43	.44
5	1.90	.75	Coniagas	1,550	1.48	1.30	1.25	1.25
No	1.00	.20	Coniaurum	6,654	.92	.95	.90	.95
25	144.00	54.00	Cons. Smelters	5,110	133.00	136.00	129.50	136.00
No	40.00	13.60	Dome Mines	12,577	37.75	38.75	33.00	34.25
No	.15½	.03½	Dom. Explorers	5,600	.06½	.07	.06	.06
1	.02½	.00½	Dominion Kirk	9,500	.01½	.01½	.01	.01½
1	.04	.01	Don Rouyn	6,100	.01	.01	.01	.01
1	.04½	.01	Duparquet	......	.01½	.....	.....	.....
1	8.10	1.16	Eldorado	70,080	3.93	4.15	3.77	3.85
No	4.55	1.80	Falconbridge	4,107	3.45	3.59	3.26	3.35
1	.06	.01	Federal	5,100	.02	.02	.01½	.01½
No	.07	.01	Gilbec	2,900	.03	.03	.02	.02
1	.17	.04	Goldale	4,000	.09½	.10	.08	.09½
10	.29	.10	Goldfield	4,000	.18	.18	.17	.18
	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.23	.02	Goodfish	20,825	.16	.16	.12½	.12½
1	.04	.01	Graham	23,600	.02½	.03	.02½	.03
1	1.95	.55	Granada	16,160	.74½	.71	.65	.67½
1	.18	.05	Groselle	5,000	.08	.05	.05	.05
1	.45	.24	Halcrow Swayze	2,100	.31	.36	.34	.36
1	.06	.02	Harker	7,000	.03	.03½	.03	.03½
1	.01½	.00½	Hilltop	3,000	.00½	.00½	.00½	.00½
5	11.05	6.05	Hollinger	18,633	10.75	11.00	10.55	10.75
1	1.51	.61	Howey Gold	32,710	1.10	1.12	1.02	1.07
No	12.25	3.10	Hudson Bay	2,705	9.90	10.25	9.75	9.95
No	.55	.25	Huronian	640	.51	.50	.48	.50
1	13.00	8.50	Inter. Mining	5,500	10.00	13.00	11.50	12.50
1	4.50	2.75	Do., Pur. Warr.	1,400	3.85	4.50	3.85	4.50
No	23.25	8.00	Int. Nickel	77,847	20.85	22.00	20.50	21.90
1	.04½	.00½	Jackson Manion	24,100	.03½	.03½	.03	.03½
1	.70	.20	Keeley	5,603	.50	.50	.47	.47
1	.02½	.00½	Keora Mines	......	.01	.....	.....	.....
1	.76	.48	Kirk. Hud. Bay	2,160	.53½	.55	.52	.55
1	.02½	.00½	Kirk. Hunton	4,500	.00½	.00½	.00½	.00½
1	.52	.29	Kirkland Lake	8,605	.35	.35	.32	.32
1	.04½	.01½	Kirkland Premier	12,500	.03½	.03½	.02	.02
1	.52	.12	Kirk. Townsite	26,450	.31	.33	.29	.30
20c	.02½	.00½	Koot. Florence	6,500	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	12,300	.20	.21	.18	.18
No	.32	.07	Lake Maron	19,050	.10	.10	.09	.09
1	52.00	30.75	Lake Shore	7,695	48.25	49.75	47.95	48.00
1	.23½	.02½	Lebel Oro	44,250	.13	.13½	.12	.12½
No	.29	.11	Lee Gold	26,395	.14½	.15	.13	.15
1	1.29	.20	Macassa	87,760	.92	.92	.85	.89
1	.07½	.01	Malrobic	5,500	.01½	.02	.01½	.01½
No	.17	.02½	Mandy	1,750	.09½	.09½	.08	.08
No	.07	.01	Manitoba Basin	28,400	.02½	.02½	.02½	.02½
5	48.60	21.20	McIntyre	22,850	45.00	45.25	39.50	40.75
1	.55	.30	McKinley	324	.50½	.50½	.50	.50½
No	.08	.01½	McLeod River	18,500	.01½	.01½	.01½	.01½
1	.35	.03	McMillan	7,600	.30	.32	.28	.30
No	1.15	.35	McWatters	66,575	.44	.49	.42	.43
1	1.06	.15	McVittie	107,458	1.04	1.06	.96	1.02
5	1.25	.06	Mentor Exp. & Dev.	......	1.05	.....	.....	.....
No	2.65	1.20	Mining Corp.	5,888	1.94	2.00	1.85	1.85
1	.05	.01½	Moffatt Hall	51,200	.02½	.03	.02½	.02½
1	.12½	.02	Moneta	500	.06½	.06	.06	.06
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
No	.12½	.03	Moss	2,000	.04	.03	.03	.03
1	.03½	.00¾	Murphy	5,000	.01½	.01½	.01½	.01½
No	.06½	.02	Newbec	5,300	.02	.02½	.02	.02
1	.06½	.01½	Night-Hawk Penn.	5,000	.04½	.04½	.04	.04
5	3.50	1.15	Nipissing	9,384	2.76	2.85	2.50	2.55
No	39.25	19.25	Noranda	13,547	34.50	35.20	33.50	34.50
No	.52	.30	Nor. Canada	2,600	.36	.35	.35	.35
No	.60	.19½	Normont-Gold	75,850	.58	.60	.57½	.60
1	.34	.05	Osisko	4,900	.16	.16	.15	.15
1	.46	.11	Parkhill	20,490	.40	.40	.38	.37
1	.03½	.01	Pawnee Kirk.	3,000	.01½	.01½	.01½	.01½
1	.29	.20	Paymaster	21,690	.25	.26	.23	.24
1	1.80	.50	Pend Oreille	2,160	.75	.85	.71	.78
1	.04½	.00½	Peterson Cobalt	5,000	.01½	.02½	.02½	.02½
1	16.25	4.30	Pioneer Gold B. C.	4,075	9.80	10.00	8.75	8.80
1	.03	.00¾	Porcupine Crown	11,500	.01½	.02	.01½	.01½
1	.01½	.00½	Potter Doal	......	.00½	.....	.....	.....
1	1.60	.55	Premier Gold	9,900	1.15	1.20	1.10	1.10
1	.03½	.00¾	Preston E. Dome	4,000	.01½	.01½	.01	.01
No	1.75	.50	Prospectors Air's	1,700	.55	.55	.50	.52
No	.15	.03	Quemont	2,000	.13	.10	.10	.10
1	.51	.28	Read Authier	6,500	.30	.32	.28	.30
1	2.75	.70	Reno	19,080	.86	.86	.79	.82
1	.03½	.00½	Ribago	28,500	.01½	.01½	.01	.01
1	.03	.01½	Ritchie	16,000	.01½	.01½	.01½	.01½
1	.04½	.01	Robb Montbray	10,000	.02½	.02	.01½	.01½
1	1.60	.75	San Antonio	9,049	1.41	1.41	1.37	1.38
1	.07	.02	Seven Troughs	......	.07	.....	.....	.....
1	1.90	.33	Sherritt Gordon	18,558	1.08	1.14	1.04	1.08
1	1.78	1.25	Siscoe	60,359	1.53	1.55	1.50	1.55
1	.10½	.02½	South Keora	1,000	.02½	.03½	.03½	.03½
No	.16	.10	Stadacona (new)	12,000	.11½	.11	.10	.10½
1	.60	.07	St. Anthony	43,800	.41	.45	.39½	.43
No	2.21	.60	Sudbury Basin	4,075	1.12	1.15	1.10	1.10
1	.15	.00½	Sudbury Contact	8,500	.07½	.07	.05½	.06
1	.02½	.00½	Sudbury Mines	6,000	.01½	.01½	.01½	.01½
No	.28	.16½	Sudbury Nickel	......	.21	.....	.....	.....
1	.36½	.14	Sullivan	47,360	.20	.21	.19	.20½
1	1.44	.72	Sylvanite	30,285	1.25	1.25	1.17	1.23
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
1	7.25	3.70	Teck-Hughes	27,627	6.15	6.15	5.60	5.65
1	.22	.03	Thom. Cadillac	43,748	.20	.20	.17	.18
1	.61	.10	Towagmac	1,800	.36	.35	.32	.35
1	3.00	.60	Treadwell	400	.65	.75	.65	.75
1	.25	.04	United Kirkland	......	.17	.....	.....	.....
No	.06½	.01½	Vacuum Gas	......	.01½	.....	.....	.....
No	2.40	.30	Venezuela	......	1.06	.....	.....	.....
No	1.50	.71	Ventures	19,615	.85	.85	.77	.82
1	.22	.01½	Vickers	5,500	.01½	.02	.01½	.02
1	.75	.20	Vipond	10,236	.50	.50	.50	.50
No	1.80	1.15	Waite Amulet	4,011	1.51	1.60	1.50	1.51
50c	.75	.33	Wayside	233,200	.39	.42½	.34	.39
No	.29	.18	White Eagle	86,100	.24	.25	.21½	.25
1	.08	.02½	White Lake	500	.03½	.03	.03	.03
1	.28	.02	Wiltsey Coughlan	30,000	.14	.16½	.13	.15½
1	.27	.06	Wood Kirkland	1,000	.06	.07½	.07	.07½
No	8.60	3.73	Wright-Hargreaves	33,555	7.80	8.00	7.25	7.25

OIL STOCKS

Par Val.	Range 1933 High	Low	Company	Sales	Close Nov. 13 (or last)	High for week	Low for week	Close Nov. 20
No	.32	.07½	Acme Gas & Oil	14,500	.17½	.17½	.16	.16
No	.01	.01	Advance Oils	......	.01	.....	.....	.....
1	.04½	.04½	Admiral	......	.04½	.....	.....	.....
1	.07	.04	Anaconda Oil	......	.04	.....	.....	.....
1	1.60	.55	Ajax	4,200	1.13	1.16	1.10	1.12
1	.68	.05	Alta. Pacific	6,420	.20	.23	.18	.20
1	.20	.05	Amalgamated	2,600	.11½	.11	.10	.10
No	1.10	.04½	Associated	7,525	.24	.26	.23	.23
No	.26	.01	Baltac	3,000	.06	.08	.08	.08
No	2.50	.25	Calgary & Ed.	3,800	1.05	1.14	1.00	1.03
1	.45	.03	Calmont	6,400	.10	.16	.10	.12
1	.25	.03½	Common. Pete.	1,800	.08½	.09	.07	.07
No	2.50	.11	Dulhousie	5,788	.53	.59	.52	.52

Par Val.	Range 1933 High	Low	Company	Sales	Close Nov. 8 (or last)	High for week	Low for week	Close Nov. 15
No	.19	.02	Devenish	......	.10	.....	.....	.....
No	.55	.05½	East Crest	16,550	.33	.33	.25	.25
No	.36	.20	Erie Gas	......	.20	.....	.....	.....
No	.02	.00½	Fabyan Pete	41,500	.01	.01	.00½	.00½
No	1.75	.06	Foothills	3,000	.50	.48	.30	.40
No	.28	.06	Freehold	500	.10	.10	.10	.10
No	.12	.01½	Hargal	......	.08	.....	.....	.....
No	4.05	.30	Home	12,545	1.55	1.68	1.50	1.60
No	.05	.02½	Homestead	......	.02½	.....	.....	.....
1	.25	.10	Homestead O. & G.	3,500	.12	.15½	.13½	.15
No	.47	.10	Lowery	......	.16	.....	.....	.....
No	.06½	.02½	Madison	......	.03	.....	.....	.....
No	.20	.05	Marjon Oil	700	.10	.10	.10	.10
No	.10	.03½	McD. Segur Ex.	16,000	.05	.06½	.05½	.06
	.08½	.05½	McD. Segur N.	......	.07	.....	.....	.....
1	1.10	.25	McLeod	20	.31	.30	.30	.30
No	.30	.07½	Mercury	9,200	.18½	.19	.17½	.17½
No	.45	.11	Merland	700	.25	.22½	.20½	.20½
1	.01½	.01	Mid West	......	.01½	.....	.....	.....
No	.35	.09	Mill City Pete	1,700	.18	.16½	.15½	.16½
1	.50	.12	Model	900	.20	.24	.21	.24
5	.30	.09	Nordon	12,200	.14	.14	.12	.14
No	.12½	.02½	Oil Selections	12,900	.06	.06½	.06	.06½
No	.20	.04	Okalta	500	.05	.05½	.05½	.05½
No	.61	.20	Olga Gas & Oil	2,000	.22	.28	.24	.24
1	.25	.13	Petrol Oil & Gas	......	.19	.....	.....	.....
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	23.00	5.75	Royalite	2,872	15.50	18.00	15.00	18.00
1	.25	.05	Sarnia Oil	1,000	.08	.08	.08	.08
No	.45	.04	South West Pete.	......	.10	.....	.....	.....
1	.39	.06	Spooner	......	.25	.....	.....	.....
No	.75	.12	Sterling Pacific	3,700	.35	.40	.33	.40
	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
No	.25	.03	United	5,300	.06	.07	.06	.06
No	.25	.06	Vanalta	......	.08	.....	.....	.....
No	.08	.00½	Wainwell	9,700	.02	.02	.01½	.01½

VANCOUVER STOCK EXCHANGE

(Transaction for Week to November 15.)

Par Val.	Range 1933 High	Low	Company	Sales	Close Nov. 13 (or last)	High for week	Low for week	Close Nov. 20
25c	.03	.00½	Bayview	......	.01½	.....	.....	.....
20c	.10½	.02½	Beaver Silver	11,700	.07	.07½	.06½	.07
25c	.17	.03	Big Slide	11,000	.05	.05	.04	.04
25c	.06½	.02	Bluebird	......	.02½	.....	.....	.....
No	13.00	1.38	Bralorne	1,875	9.90	9.90	9.60	9.60
1	.57	.05	Bridge River Cons.	11,600	.24	.25	.22½	.24
50c	.71	.28	Bridge River Exp.	20,700	.36	.38	.35	.35
100	89.00	88.50	B. C. Electric, pfd.	......	88.50	.....	.....	.....
1	.60	.33	B. C. Nickel	6,300	.50	.52	.48	.48
1	1.50	.60	B. C. Silver	300	.85	1.00	1.00	1.00
No	.82	.52	Burns Mountain	......	.55	.....	.....	.....
1	4.60	1.50	Cariboo Gold	5,375	3.45	3.45	3.15	3.15
No	12.90	5.60	Coast Breweries	150	9.25	9.35	9.00	9.05
25c	.02½	.00½	Cork Province	1,000	.01	.01	.01	.01
1	.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.08	.01½	Dalhousie Mines	500	.03	.01½	.01½	.01½
1	.21½	.02	Dunwell	2,250	.15	.16	.15	.16
1	1.00	.28	George Copper	700	.30	.35	.32	.35
50c	.12	.03	Geo. Enterprise	......	.03	.....	.....	.....
1	.09½	.02	Georgia River	11,000	.02½	.02½	.02½	.02½
1	.60	.16	Golconda	8,900	.40	.45	.40	.40
50c	1.25	.38	Gold Belt	2,900	.45	.40	.38	.38
1	1.50	.95	Golden Belle	......	1.50	.....	.....	.....
50c	.11	.03	Grandview	1,500	.04	.03½	.03½	.03½
1	.01½	.00½	Independence	9,000	.00½	.01	.01	.01
1	.03½	.01	Indian Mines	......	.01½	.....	.....	.....
1	.17	.08½	Inter. Coal	......	.13	.....	.....	.....
1	.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.57	.18	Kootenay Belle	3,000	.21	.22	.18	.22
25c	.04	.00½	Kootenay King	2,500	.02	.01	.01	.01
25c	.01	.00½	L. & L.	......	.00½	.....	.....	.....
1	.01	.00½	Lakeview	15,000	.01	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	......	.02½	.....	.....	.....
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	1.05	.20	Meridian Min.	54,250	.29½	.30½	.28	.28
	.10	.10	McGillivray Creek	......	.10	.....	.....	.....
5c	.13	.04½	Metaline Metals	......	.04½	.....	.....	.....
25c	.01	.00½	Mohawk	......	.00½	.....	.....	.....
50c	.17	.05	Mogul	500	.05½	.07	.07	.07
50c	.41	.15	Morning Star	18,100	.17	.18	.16	.16½
1	.06	.00½	Morton Woolsey	3,000	.01	.02	.01	.01
1	.29	.05½	Native Sons	22,100	.06½	.07½	.06	.06
50c	.10½	.01½	National Silver	17,650	.06½	.06½	.06	.06
50c	1.09	.74	Nicola	42,825	1.07	1.09	1.04	1.09
50c	.21½	.02½	Noble Five	64,400	.09½	.10½	.09½	.09½
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
1	.35	.15	Pavilion	......	.15	.....	.....	.....
1	1.25	.40	Pioneer Extension	......	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	305	10.00	10.00	9.75	9.85
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	34,600	.10	.15	.10	.12
No	.04	.00½	Premier Border	15,500	.01	.01½	.01	.01½
1	.10	.02	Quatsino Copper	2,300	.02½	.02½	.02½	.02½
No	.42	.10	Reeves McDonald	550	.15	.15	.15	.15
1	.30	.25	Reliance	......	.27	.....	.....	.....
1	2.70	.60	Reno Gold	12,050	.92	.90	.78	.78
1	.22	.04	Reward Mining	2,700	.07	.07½	.07½	.07½
1	.10	.01	Rufus Argenta	1,000	.02½	.03	.03	.03
1	.07	.01	Ruth Hope	2,000	.02½	.02½	.02½	.02½
1	.65	.35	Sally Mines	1,600	.35	.40	.35	.40
1	.15	.03½	Silverado	4,000	.07	.07½	.06	.07½
25c	.09	.01	Silver Crest	31,500	.03	.03½	.02½	.02½
20c	.03½	.01½	Silversmith	13,000	.03	.03	.03	.03
50c	.04½	.01	Snowflake	4,000	.01½	.01½	.01½	.01½
25c	.06	.06	Sonora	......	.06	.....	.....	.....
1	.61	.40	Standard Gold	......	.40	.....	.....	.....
1	.50	.20	Sunloch	......	.25	.....	.....	.....
5	.40	.20	Toric	......	.40	.....	.....	.....
50c	.03½	.00½	Topley Richfield	......	.00½	.....	.....	.....
50c	.72	.08	Wayside	47,750	.42	.42	.35	.37½
25c	.12	.01½	Waverly Tangier	98,000	.02½	.02½	.01½	.01½
20c	.05	.01½	Wellington	12,200	.02	.02	.01½	.02
No	.36	.20	White Eagle	2,500	.25	.22	.22	.22
1	.18	.03	Whitewater	11,700	.07½	.08	.07	.07½
1	.48	.40	Yankee Belle	......	.42	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield %	Company	Rate	Yield %
Ajax Oil	8c.	7.14	McLeod Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Mercury Oils	4c.	.....
Coast Brew	92c.	.....	Merland Oils‡	5c.	.....
Coniagas‡	12½c.	.....	Noranda†	50c.	.....
Coniaurum†	3c.	.....	Petrol Oil	°2c.	.....
Cons. Smelters*	10%	.....	Premier	12c.	10.90
Dome Mines	$1+55c.	4.52	Pioneer, B.C.	60c.	6.81
Falconbridge	20c.	.....	Royalite	$1	.....
Goldfield Cons.‡	5c.	.....	Siscoe	12c.	7.74
Hollinger	65c.+10c.	6.97	Sterling Pacific Oil‡	3c.	.....
Howe Sound	$1	.....	Sylvanite	4+3½c.	.....
Int. Coal & Coke‡	2c.	.....	Teck-Hughes	60c.	10.25
Lake Shore	$2+$1	6.25	Wright-Har.	20c.+10c.	4.13
McIntyre	1.87½	4.60			

*Stock. ‡Interim. †Initial. °Paid in 1932.

Winnipeg Stock Exchange

(Transactions for week to November 18)

Div. Rate in $	Yield in %	Company	Sales	High for week	Low for week	Close Nov. 18
..	..	Gabrielle	5,000	.10	.10	.10
..	..	God's Lake	1,000	.66	.66	.66
50c	3.3	Imperial Oil	30	15	15	15
..	..	Moss Mines	525	.04	.04	.04
35c	..	North Star Oil, pref.	5	2½	2½	2½
..	..	Toburn	350	.65	.65	.65
1	10	United Grain	10	10	10	10

Stocks Not Traded in During Week*

Company	Bid	Ask	Company	Bid	Ask
Beaver Lumb. pref.	64	65	Northern Trust	..	17
Beaver Fire	..	100	Sovereign Life	..	19
Can. Fire Insur.	55	..	Traders Bldg. Assn.	65	..
City Dairy 8% pf.	..	40	West. Brew.	1	..
Cres. Creamery pf.	..	15	Can. Amer. Tr. shs.	..	3.00
Gt. West Life	310	..	Fundamental Ser. A	..	4¼
Home Investment	20	..	Fundamental Ser. B	..	3½
Nor. Mtg. part pd.	..	5	Group Income Shs.	..	4.15
Pelissiers c.	¼	..	Can. Invest. Fund.	..	3.30
Pelissiers, pfd.	22	..			

*Stocks more active on other exchanges not included.

At the Mines

Alberta Pacific Consolidated Oils—Shareholders last week approved the sale of the company's two wells in Southern Turner Valley to the Royalite Oil Co. in consideration of 12½ per cent royalty on the natural gas and naphtha production and 2,800 shares in the Royalite Oil Co.

* * *

Bralorne Mines—Production is reported at from 180 to 200 tons daily and is shortly to be increased to 225 tons, according to reliable information. Dividends on a regular basis are to be inaugurated shortly, according to well-authenticated reports.

* * *

B. R. X. Gold Mines—Application has been made for the listing of the company's shares on the Montreal Curb Market. Of the 2,500,000 fifty cent par value shares authorized, 2,000,000 shares have been issued none of which are pooled. The company owns 42 claims in the Bridge River area that have been under active development this year, also 32 claims in the Cariboo area of B. C.

* * *

Central Manitoba Mines — W. J. Hurst, director, has been elected president and managing director of the company to fill the vacancy caused by the death of A. D. Miles. John Dryborough, consulting geologist, Winnipeg, has been made a director and will visit the property at an early date to make a report.

A new level is being opened up on the Hope claim at the east end of the property while the crosscut on the 750-ft. level of the Tene Six claim is nearing completion with drifting to start at once.

* * *

Chibougamau Prospectors — The company's property, south of the Vicour Gold Mines in Louvicourt district, Quebec, is under option, to Teck-Hughes. An extension of the main vein system is reported as located 1,700 feet west of the original find. The vein at this point shows a width of three feet carrying free gold. A diamond drill is to be taken in over the winter roads.

* * *

Churchill Mining & Milling — Officials announce the purchase of a ten-ton mill to be shipped into the company's property in the Shining Tree area of Ontario to bulk-sample the ore as development work proceeds.

* * *

Gold Fields Consolidated Mines Co.—Shareholders approved a reduction of the capitalization from $50,000,000 to $5,000,000 by a reduction of the par value of the shares from $10 to $1 each. No change was made in the number of shares outstanding. The revamping of the capital structure was deemed advisable in order to effect savings in the transfer of the stock.

* * *

Maple Leaf Mines—Dr. J. C. McCartney has been engaged to geologize the Dalton property in the Jellicoe area of Ontario where surface development work is under way.

MR. PICOBAC Visions Vancouver Harbour

If Mr. Picobac was impressed by visions inspired by the Rocky Mountains, he was more than impressed by his vision of Vancouver's future as Canada's gateway to the majestic Pacific.

Convinced that smoking conditions in Vancouver were looking up, the Burley Ambassador from Essex County went down to the waterfront to see the shipping of all the world gathered there to serve Canada's trade. As the Canadian Pacific's Great White Steamship "The Empress of Japan" was steaming down the harbour on her way to the Orient, he waved his hand in salute.

"Did you miss the boat?" asked a sympathetic bystander, noticing the direction of Mr. Picobac's gaze.

"No, sir," retorted Mr. Picobac. "My route is Eastward now . . . overland. I came West to Vancouver to investigate smoking conditions here. And now I'm going home."

"How did you find things?" asked the bystander.

"All Picobac," replied the philosopher of Essex County. "I find that Picobac is all Canada's idea of a mild . . . cool . . . sweet smoke,—from Coast to Coast."

* * *

Mr. Picobac's investigations into Canadian smoking conditions end at Vancouver. He will go home now to prepare his report. Watch for it. Get a tin of Picobac while you are waiting. For sale everywhere. Try it . . . today.

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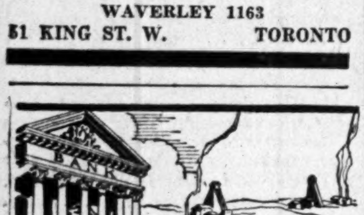

CAPITAL

The judicious expenditure of capital is gradually bringing to the production stage, a group of promising Canadian gold mines, generally referred to as the "Junior Golds". These mines should shortly be adding to the tremendous production figures which are consolidating Canada's position amongst the leading world gold producers.

Maple Leaf Mines are rapidly developing the Casey-Summit Gold property as well as pushing exploratory effort on other promising holdings. Write for full details to

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The Week in Mining

PRODUCTION by the Pioneer Gold Mines of B. C. for October was valued at $187,300 as compared with $183,000 in September. Expenses in October amounted to $64,200, leaving an operating profit of $123,100 before depreciation, depletion and taxes.

This is a wonderful showing when one realizes that Pioneer Gold Mines is an enterprise only five years old. Net income has risen from 2 cents a share in the March 31, 1929, fiscal year, to 26 cents in the 1932-3 period. Late last year a high-grade ore shoot was discovered and this brought the December average per ton recovery to $21.64, from $15.55 in November.

The initial quarterly dividend of 3 cents a share was paid in April, 1931, the rate being doubled, to 24 cents annually, in November of last year; in May, the rate was set at 60 cents annually.

Since the beginning of July, the company has been constructing a new power line, which will give it an additional 1,000 horsepower and permit further increase in production.

Gross earnings, and net profits before depreciation, depletion and taxes, however, for October and recent months show a decline from the May, 1933, highs of around $205,000 and $152,000, respectively, and a real test of the company's ability to develop substantial income will not come until the increased production schedule goes into effect in the coming winter. Further development work should shed more light on the probable life of the enterprise. Pioneer Gold Mines has 1,751,750 shares of $1 par value outstanding.

* * *

Prospects Good in Swayze Area

WORK done in the past season in the Swayze gold area of Ontario failed to prove up large deposits of commercial grade but give considerable encouragement in that conditions favorable for gold deposition prevail over a wide area, according to a preliminary report prepared by H. C. Rickaby and issued by the Ontario Department of Mines. Prospecting is difficult, since the country has a fairly heavy overburden, but geological conditions, both from the lithographical and structural point of view are "decidedly favorable" and the field will undoubtedly afford scope for intelligently directed prospecting effort for some years to come.

The provincial report outlines the general geology of the country which includes the whole or part of nine townships. There was active prospecting in the area during the past summer and a number of new discoveries of gold bearing veins were made which tended to extend considerably the area of rocks favorable for gold deposition. The report describes developments on some of the prospects in a more advanced stage and on some of the newer discoveries.

* * *

The Gold Conundrum

THE only disquieting objection to the views expressed by many prominent and well-regarded financiers with regard to the stability of present prices for gold is that there are quite a number of monetary theorists in the world at present engaged in declaiming that the world could get on quite well without gold. They speak of "mankind being nailed to a cross of gold" and are all for "managed currencies" for commodity dollars, pounds, francs, marks or yen, or even for downright fiat currencies that depend for most enlightened management free from politics and upon a most outright and downright trust of citizens in the continued sound judgment and honesty of those they elect to office. These opponents of gold standards hail the progressive departure of various nations from the gold standard as steps toward a better day in currencies and now only await France's departure to ring the bells of joy. Plausible arguments are advanced in favor of many new departures being made.

It will need more than plausible arguments and theories, yet unproved, to combat the deep, underlying belief held by countless millions in every part of the world in gold as a store of value. That regard and deep respect for gold is engrained in men's minds and is the real foundation of its value as a basis for currency rather than what governments may legislate about it. Many believe indeed that if every country in the world abandoned the gold standard, the feeling of general insecurity in the world would cause men to cling to it more tenaciously than ever. It might even acquire more value.

* * *

New Gold in Past

WHATEVER happens to present prices for gold, the gold mined under the stimulus of these high prices will always form a part of the world's stores and if output keeps mounting the way it has in the last year the world may see an unparalleled addition to stocks. That is a very important fact to economists who recall that trade expansion and general prosperity were the sequel to every great gold discovery in modern times. That was the experience after the gold discoveries in California, Australia and the Rand. The higher market value given to gold may accentuate this trend and, if made permanent by enactment and agreement later on, will still further stimulate the search and render far more stable the governments, central banks and other institutions possessing large stores of it.

Metal Prices

New York—November 21—
Copper: Electrolytic spot, 8¼c. lb.
Silver: 44½c.
London—November 21—
(Long Ton)—
Copper: Electrolytic spot, £32 10s; future, £33 10s.
Standard spot, £29 7s 6d; future, £29 10s.
Tin: Spot, £227 12s 6d; future, £227 10s.
Lead: Spot, £11 2s 6d; future, £11 7s 6d.
Zinc: Spot, £14 10s; future, £14 17s 6d.
Silver: 18⅝d. per ounce.
Gold: 127s.
Canada—November 21—
Gold: $32.86.

Canadian Mining News

TECK MEETING HEARS PROFITS COVER DIVIDEND

Lamaque Property Fast Shaping Up as Big Low Grade Mine

NO MILL FOR AWHILE

Refinancing Likely Before Lamaque Can Be Brought Into Big Scale Production

Earnings in September and October subsequent to the fiscal year ending on August 31 have been ample to cover dividend requirements, Dr. D. L. H. Forbes, president of Teck-Hughes Gold Mines, told shareholders at the annual general meeting of the company held in the Royal York Hotel, Toronto, on November 15.

Development work, shareholders were told, is proceeding according to schedule and has now reached the 45th level at a depth of 5,480 ft. Development between the 35th and 40th level, the lowest to be developed, has augmented the ore reserves as published in the annual report, and the grade of ore is not likely to change materially from the estimate previously made when the average grade on the 40th level was said to compare favorably with any level below the 25th, which per block of five levels decreases in grade with increasing depth. The average grade of ore reserves in the annual report was shown at 11.04 d.w.t. per ton or approximately $11 grade with gold at normal values. Below the tenth level considerable waste rock is making ore at present price of gold, shareholders were told.

Lamaque Ore $7 to $8

In commenting on the Lamaque Gold Mines, control of which is under option to Teck-Hughes, Dr. Forbes told shareholders that the three shafts sunk by the company, in addition to the two shallow shafts sunk years ago, had explored an ore zone in the form of a curve some 3,000 ft. in length. About 1,500 ft. of lateral work had been done underground and about 6,000 tons of ore piled on the surface, which indicated possible millheads of between $7 and $8 per ton in gold. No decision had been reached concerning a mill nor would one be made for approximately a year pending the completion of the definite programme now under way, shareholders were informed. To date Teck-Hughes has taken up under its option agreement approximately 1,520,000 shares of the 3,000,000 shares authorized. The vendors of the property, Read-Authier Mines, hold 750,000 shares.

New Financing Likely

New financial arrangements will have to be made with the vendors if and when mill construction is decided upon, shareholders were told. This development and construction plan will possibly involve an expenditure of an additional $1,000,000. To date Teck-Hughes has spent some $380.000 on the property and has a further 280.000 shares to be taken up under the option agreement.

At the Vicour Gold Mines, also under option to Teck-Hughes, some $28,500 has been spent on the property and some favorable vein showings encountered. Work has been suspended with no intention of abandoning the property, while efforts centre on the development of the Lamaque Gold Mines.

The existing board of directors was re-elected without change.

B. C. Nickel Shareholders Approve Syndicate Deal

From Our Own Correspondent

VANCOUVER. — Shareholders of B. C. Nickel Mines, Ltd., have given their consent to an agreement providing for the transfer of control of the company to a syndicate headed by Col. Victor Spencer, Bernard Smith of New York and David Sloan.

The syndicate has already advanced $180,000 in cash and has committed itself to a further expenditure of $70,000, according to information given to the shareholders by C. H. Douglas. At least $500,000 will be spent on the project between now and next June, by which time it is hoped to have the 4,000-foot tunnel to prove ore at depth completed.

Greene-Stabell Mines Starts 100-ton Mill

Another producer was added to the ranks of the Quebec Mines last week when the new 100-ton mill of Greene-Stabell Gold Mines commenced operations. Initial rate will be at about 35-tons daily and be gradually stepped up to capacity.

The property lies some three miles southeast of the Siscoe Gold Mines in Dubisson township with Amos on the Canadian National Railway the closest rail point. Power for operations is supplied by a Diesel engine.

Another Lindsley Company Made Ready for Winding Up

At a meeting of shareholders of Sudbury Nickel & Copper Co., held in Toronto, November 16, approval was given to an agreement whereby the parent company, Sudbury Basin Mines, acquires all the assets and liabilities of the company in return for 3,432 shares of Falconbridge Nickel.

Plans call for the distribution of the Falconbridge Nickel shares on the basis of four Falconbridge for each 55 Sudbury Nickel & Copper shares held, after which the latter company will surrender its charter.

Andrew Walz Not Directing Development of Malrobic

The report recently appearing in The Financial Post that Andrew Walz was directing the future development of Malrobic Mines in Malartic township, Quebec, is not correct, according to a wire from Mr. Walz.

In an official statement, Mr. Walz is shown as the company's consulting engineer. The company did some diamond-drilling this summer to extend the known ore zone. Montreal interests optioned 500,000 treasury shares in June this year to finance new development work.

At the present time Mr. Walz is engineer in charge of development operations at the Canadian Malartic Gold Mines and is devoting his entire attention to this undertaking.

B. C. Mining Engineers Frame Code of Ethics

Move Made to Curb Unscrupulous Promoters and Stock Fakers in the Mining Field

From Our Own Correspondent

VANCOUVER.—British Columbia mining engineers have pledged themselves to a code of ethics and moral conduct calculated to enhance the prestige of their industry. They have declared war on the unscrupulous mine promoter and stock faker. Speakers at the recent convention of the Institute of Mining and Metallurgy emphasized the following points during the discussion:

1. Censure of the practice of engineers accepting stock in payment for services.
2. Control of doubtful promoters and brokers through a general boycott of reputable engineers.
3. Suggestion that engineers should not hold stock in the mine they are consulted for, or even in a mine in the same district.
4. More time for Government investigation before registration and authority to sell stock.
5. Proper surveys of property and security of title.
6. Publicity of a report by a registered engineer before stock is offered to the public.
7. Proper punishment for promoters who omit essential facts from prospectuses.

Legislation Soon

Hon. George S. Pearson, the new minister of mines, attended the session at which this code was discussed, and it is expected that at the next session of the legislature the measures controlling the mining industry will be tightened up to give fuller legal expression to the views enunciated at the conference.

"The mining industry is rotten with parasites," declared H. G. Nichols, formerly a Government engineer for two districts, who now lives in Kamloops. "Promoters are mining the public rather than the ground. I know what heelers can do. I have had experience under two Governments and I have been asked to modify my report favorably on a prospect so that the minister could recommend construction of a road. The minister should trust his engineers rather than a heterogenous pack of hangers-on. The minister is the guardian of legitimate industry."

Hold Whip Hand

Dr. Harry A. Warren, prominent mining authority, said there was a need for restoring confidence in the mining industry and that the duty of mining engineers did not end after they had reported on a prospect. Engineers, he said, could generally be depended on to check gross distortions, but too often they allowed minor misinterpretations to slip by. He urged that mining engineers hold the whip hand so they could boycott dishonest brokers. He said that hard times had made it almost imperative for some engineers to accept stock in payment, although it was a deplorable condition and should be eliminated.

J. D. Galloway, provincial mineralogist, outlining legislative possibilities, said that protection for the investor should be strengthened and widened. Before sale of stock is permitted, a registered mining engineer should report on the property, which it is proposed to develop and his report should be made public. Security of title should be assured by proper surveys.

Dale L. Pitt, general manager of Premier Gold Mining Co., recalled a recent instance in Great Britain where an engineer had been convicted of fraud not for what he had put in his report but for what he had omitted.

Cariboo Gold Is Now Listed On Standard

Shares of Cariboo Gold Quartz Mining Co. were called for trading on the Standard Stock & Mining Exchange on November 23, marking the first listing of the shares on any exchange, although they have been actively traded in 1933 on the Vancouver Stock Exchange unlisted section, where the price has ranged from a high of $4.60 to a low of $1.50.

The most significant recent development at the company's property which is pioneering the interest in lode gold mining in the old Cariboo placer district of B.C., was the encountering early this month of the Sanders vein in the main adit, some 2,200 ft. from the portal. It was the outcrop of the Sanders vein near the top of Cow Mountain that first attracted attention to the property. The earliest development work was exploring this vein and it was the object of the main adit to encounter it at depth, thus giving some 600 ft. of backs. While conducting this programme some dozen "B" veins were encountered from which present production is being taken.

The company has just shipped its sixth gold brick since production started in January of this year. This brick weighs 1,401 oz. and is valued at $46,583. At the present time the value of the company's production is something over $1,000 daily.

Index to Mining Shares

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926—100, was 112.7 for the week ending November 16, as compared with 111.5 for the previous week.

Dome Profits On Rand Shares

Dome Mines has disposed of a considerable portion of its 90,000 shares of East Geduld Mines, The Financial Post is reliably informed. This venture of Dome into the Far East Rand of the Witwatersrand area, South Africa, was made at a cost of $1,107,117 or about $12.20 per share.

Current price for the stock in Canadian funds is over $30 per share and some time since it sold at a considerably higher figure. Just what Dome realized, has not been revealed, but it is intimated that the company has a profit on the transaction, in addition to a substantial block of shares retained.

Jones-Porter Mines Makes Assignment

An assignment in bankruptcy has been made by Jones-Porter Mines, incorporated in 1928. A. J. Doane is acting for the custodian.

The company owns a gold prospect in Deloro township, Porcupine district, Ont., where a small mill acquired from the Croesus property was awaiting finances to permit erection.

It is understood that the liabilities of the company were less than $10,000.

Veraguas Mines. — The company's new 50-ton mill started into initial production, treating approximately 25 tons daily, on November 15, according to official information.

Additional mining news on page 15 this week

GOLD MINES

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NICKEL EXPORTS DURING OCTOBER SHOW DECLINE

United States Continues to Take Principal Production

The export of Canadian nickel in ore, matte and speiss showed an advance of about seven per cent in October when shipments totalled 5,212,600 pounds as compared with 4,884,800 pounds in September and with 1,358,100 pounds in October, 1932. Shipments of nickel in this form represent the unrefined state and do not give a clear idea of the demand for refined nickel as the principal quantity goes to refining subsidiaries abroad.

In October the shipments of refined nickel totalled 4,453,000 pounds, a decline from the record shipment of 4,611,500 pounds in September of this year which compares with 1,335,500 pounds in October, 1932. Shipments of nickel oxide also showed a decline in October when 468,200 pounds were shipped as compared with 1,049,900 pounds in September.

The United States, as usual, was the largest importer of refined nickel with the October shipments accounting for over 81 per cent of the total. The Netherlands was the next largest importer of refined nickel, taking 513,000 pounds or about 14 per cent of the total refined nickel. There were no direct shipments of the metal reported to Germany.

VANALTA OILS LOSS $5,793 LAST YEAR

Capitalization Increased to Permit Financing Mining Projects

The annual report of income of Vanalta Oils from its four producing wells in the Red Coulee field of Southern Alberta shows the gross value of production as $21,250, which gave a total operating profit of $12,470 after deducting royalties of $3,893 and operating expenses of $8,780.

Miscellaneous income accounted for $2,734, giving a total income of $15,204 which, after deducting administration and general expenses totalling $2,175, depletion of $16,965 and depreciation on equipment of $1,856, showed a net loss for operations for the year of $5,793. This compares with a loss of $2,988 in the previous fiscal year.

The total production amounted to 23,017 barrels of crude oil as compared with 29,865 barrels last year.

The balance sheet of the company showed current assets of $11,079 and current liabilities of $2,166, leaving a net working capital of $8,913. The total cost of the development of the company's four producing wells in the Red Coulee field and its one well in the Turner Valley field is shown at $199,838 of which $76,057 has been written off from income.

Increases Capitalization

The company's total holdings are 40 acres in Turner Valley and 1,489 acres in the Red Coulee field.

The issued capitalization of the company on June 30 was 401,110 no par value shares out of the 500,000 shares authorized. Since the end of the fiscal year approval has been given to increase the authorized capitalization to 1,500,000 shares in order to permit the company entering the mining field when the opportunity is presented. A deposit of $1,000 is shown on the Hillside group of mining claims in the Bridge River area of British Columbia.

Quebec Prospectors Ltd. — The November 10 issue of The Quebec Official Gazette announces the distribution of $3.50 per share on November 25, 1933. It is understood the company is withdrawing from active prospecting and proposes ultimately distributing all the assets of the company to shareholders.

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